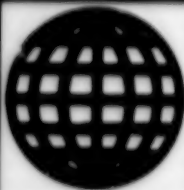


JPRS-CAR-90-061  
13 AUGUST 1990



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# ***JPRS Report***

## **China**

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***QIUSHI [SEEKING TRUTH]***  
***No 13, 1 July 1990***

# China

## QIUSHI [SEEKING TRUTH]

### No 13, 1 July 1990

JPRS-CAR-90-061

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13 AUGUST 1990

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**Struggle To Build the CPC Into a Staunch Vanguard of the Working Class—Speech Delivered at a Seminar on Theories of Party Construction (29 December 1989)**

00000000 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 13, 1 Jul 90 pp 2-9

[Article by Jiang Zemin; published in FBIS-CHI-90-127,  
2 Jul 90 pp 19-26]

**Commenting on the 'Rights-Oriented Theory of Jurisprudence'**

HK0108110190 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 13, 1 Jul 90 pp 10-15

[Article by Qiao Wei (0829 0251) of Shandong University]

[Text] In recent years, a handful of people have put forward many "new theories" under the slogan of "renovating the law." "The rights-oriented theory of jurisprudence" is one such theories. The advocates of this "new theory" maintained that "law in China is faced with a crisis" and that "the way out of this crisis" was to "restructure law with rights as its cell and standard." Here, we will not discuss how far-fetched is the allegation that "law in China is faced with a crisis." We will only comment briefly on some of the major arguments of "the rights-oriented theory of jurisprudence" to clarify some of the confusions over the relationship between rights and duties.

**1. Is It True That "Law Is the Study of How To Convert Claims on Rights Into Stipulations on Rights in Good Time"?**

In order to prove that their proposal to "restructure law with rights as its standard" has its theoretical basis, the advocates of "the rights-oriented theory of jurisprudence" put forward the argument that "law is the study of how to convert claims on rights into stipulations on rights in good time." Is this what "law" is all about? No. As we all know, law is a science which studies legal phenomena. Like philosophy, historiography, literature, economics, and politics, it is an important component of social science and has broad and rich contents. Branches of law include the basic theory of law, comparative law, the history of legal systems, the history of legal thought, and various specific areas of law, such as constitutional law, organization law, administrative law, criminal law, civil law, economic law, marriage and family law, law of criminal proceedings, and international law. If we think of "law," which encompasses such a wide variety of basic legal studies and specific areas of laws, as "the study of how to convert claims on rights into stipulations on rights in good time," we are either being too rash and subjective, or are not too clear about the substance and connotation of law. From the angle of state legislation, neither can we regard law as a mere question of "the study of how to convert claims on rights into stipulations on rights in good time," for it also involves "the timely

conversion of claims on duties into stipulations on duties." If we talk only about rights and do not give duties their legal status, this "timely conversion" can only be the wishful thinking of some people and can never be materialized. For instance, Article 2 of our "General Principles of Civil Law" stipulates: "The civil law of the PRC shall readjust the property relations and personal relations between citizens, between legal persons, and between citizens and legal persons, who are all equal entities." This relationship between the parties concerned refers mainly to the relationship between rights and duties. Article 2 of the "Law of Economic Contracts" stipulates: "Economic contracts are agreements between legal persons for the purpose of realizing certain economic goals and clarifying each other's rights and duties." This shows that economic law cannot be established without rights and duties. Hence, from the angle of the contents of "civil law study" and "economic law study," law also covers more than "the conversion of claims on rights into stipulations on rights in good time"; it must also cover the timely conversion of claims on duties into stipulations on duties. Otherwise, they will not be able to perform their respective tasks. This applies not only to "civil law study" and "economic law study." Other specific areas of law are no exception. Hence, the basic contents of "law" must cover rights and duties. It is impermissible to talk about rights and forget all about duties.

In a complete legal norm or legal relationship, there must be rights as well as duties. The two are interdependent and inseparable. *The Oxford Companion to Law* has this to say on the relationship between rights and duties: "Beginning with the recognition that, in general, where any two legal persons have any legal relationship, one is said to have a right against the other, for example, to payment of the price of goods sold, and the other is said to be under a correlative duty to the first, for example, to hand over the goods sold." "It makes clear that not every legal right is of the same kind, nor does it involve the same subjection in the other party. My right (claim) to payment of a debt has as its correlative the duty to pay me. My right (privilege) to sit in Parliament has as its correlative a nonmember's non-right or inability to sit. My right (power) to arrest has as its correlative the wrongdoer's liability to be arrested... Much legal thinking would be clarified if every time the speaker were disposed to use the term 'right' or 'duty' he substituted whichever was appropriate of the other terms."<sup>1</sup> This shows that rights and duties are relative. The rights enjoyed by a person must have the duties performed by himself or herself or by others as the basis. Rights not based on duties are empty and without any use value. Such rights cannot bring any real benefits to the persons enjoying them, and no one will want a "rubber check" that can never be cashed. Hence, rights with no correlative duties are absolutely not feasible whether in the building of the legal system or in theoretical research on law. In short, rights and duties are indispensable factors in all jural standards and relations. They are indispensable tools for the readjustment of all social relations,

particularly economic relations. They are indispensable links in the survival and development of all communities and collectives. They are also indispensable pillars in the building of the edifice of the socialist legal theory. If a society only stresses rights as the standard and does not stress social responsibilities to be fulfilled by every citizen, there will be chaos because its people will only pay attention to their rights and neglect their duties. It will not be able to go on this way. On this question, what different social systems do is merely to lay down the underlying principle of rights and duties, and show how theirs are different from others. If rights and duties are not combined, and if "rights are taken as the standard," thereby separating rights from duties, another possibility will arise: The sector of people enjoying rights will become masters of the society, while the sector who can only perform duties will become slaves working for their masters. This will result in social inequality based on hierarchy and special privileges, as in the slave society and the feudal society. The capitalist society is also essentially like this.

## 2. What Exactly Is the "Mature Experience" of Western Countries in Building the Rule of Law?

How then should we "restructure law with rights as the standard"? Actually, the advocates of this theory never suggested any new methods. They just wanted us to "restructure law" by following the "mature experience" of Western countries under the rule of law. It is true that, in building the socialist legal system, we may critically take over and borrow all that is good in the experience and practice of Western countries in building the rule of law, even though their class character is different from ours. However, one thing needs clarification here, and that is, what exactly does it mean by the "mature experience" of Western countries in building the rule of law?

If we start counting from the bourgeois revolution in England in 1640, the building of the rule of law in Western capitalist countries already has a history of 350 years. We should say that they have accumulated rich and "mature experience" in this respect. However, what exactly is this "mature experience"? Does it have "rights as the standard"? The answer is in the negative. We may put it this way: Having accumulated experience and lessons in building the rule of law over the past 350 years, the Western bourgeoisie know very well that in order to achieve their purpose of consolidating their bourgeois rule, they must combine rights and duties and must never emphasize rights at the expense of duties. John Locke (1632-1704), the British bourgeois thinker, philosopher, and originator of liberalism, once said: "Once laws are promulgated, ...no one in a civil society shall be absolved from legal sanctions." On the relationship between freedom and law, Locke clearly pointed out: "For in all the states of created beings capable of laws, where there is no law, there is no freedom. For liberty is to be free from restraint and violence from others." "But freedom is not, as we are told, a liberty for every man to do what he likes: (For who could be free,

when every other man's humor might domineer over him?) But a liberty to dispose and order as he likes his person, actions, possessions, and his whole property, within the allowance of those laws under which he is; and therein not to be subject to the arbitrary will of another, but freely follow his own."<sup>2</sup> Liberty is a kind of right. There is no doubt about that. However, that "no one shall be absolved from legal sanctions" and that liberty "must be within the allowance of those laws under which he is" are obviously the bounden duties of citizens who enjoy the right to liberty. The renowned French bourgeois thinker Montesquieu (1689-1755) also clearly pointed out: "Political liberty does not consist of an unrestrained freedom.... Liberty is a right of doing whatever the laws permit and if a citizen could do what they forbid, he would no longer be possessed of liberty, because all his fellow citizens would have the same power."<sup>3</sup> This shows that freedom, as a right of citizens, is the right to do whatever the laws permit, and invokes the duty not to do anything prohibited by law. If a citizen does not perform this duty and does things prohibited by laws, he will no longer be entitled to enjoy freedom. Jean Jacques Rousseau (1712-1778), another French bourgeois thinker, shared the views of Montesquieu. Leading American scholar and statesman Thomas Jefferson (1743-1826), put particular emphasis on people's right to freedom, and was particularly concerned with the freedom of religious belief. However, he pointed out: "He who treasures his own religious freedom should oppose the infringement of other people's religious freedom."<sup>4</sup> This explains that he who wants to enjoy the right to religious freedom must undertake not to infringe upon the religious freedom of others. Jefferson held that rights and duties were united and not a pair of antitheses. These teachings of renowned bourgeois thinkers on freedom and law and on rights and duties were not merely the guiding ideologies of legislation by the Western bourgeoisie, but were also the summary of their experience in building the rule of law. The "mature experience" summed up by these bourgeois thinkers in building the rule of law was obviously not "the rights-oriented theory of jurisprudence" but the theory of laying equal stress on rights and duties.

A fundamental reason why bourgeois thinkers emphasized that freedom should be subject to law, that is, [why they] emphasized the unity of rights and duties, was that they realized that absolute and unrestricted freedom, freedom which stressed rights at the expense of duties, not only was unfavorable to the maintenance of capitalist law and order, but would pose a serious threat to bourgeois rule. This was precisely why, after the seizure of power by the bourgeoisie, they emphasized in particular that freedom must be protected and restricted by law. A person must perform his duties while enjoying his rights. It can thus be seen that the "mature experience" of Western countries in building the rule of law has nothing whatsoever in common with "the rights-oriented theory of jurisprudence." Rather than lending



support to advocates of "the rights-oriented theory of jurisprudence," it provided the basis for the negation of this theory.

### 3. Is It True That Bourgeois "Expressions of Freedom, Equality, and Democracy in Law Are Equivalent to Rights"?

In order to make their points, the advocates of "the rights-oriented theory of jurisprudence" also did their best to sing the praises of bourgeois democracy and legal system. For instance, they said, "Modern rule of law is invariably associated with freedom, democracy and equality... The expressions of freedom, equality, and democracy in law are equivalent to rights. Western countries under the rule of law give expression to these rights in two ways, namely, the protection of human rights (freedom) by means of a constitution and the protection of property rights (equality) by means of civil law." I think this is basically at variance with the actual situation in Western capitalist countries. Some people have been taking great delight in preaching this idea in recent years. They are either completely ignorant about legislation in capitalist countries or are deliberately trying to cheat and fool the masses. It is true that the constitutions and civil rights laws of capitalist countries do provide for the protection of human rights, and have even declared that human rights are natural rights and cannot be taken away. However, it must be pointed out that, in capitalist countries, legislation has the protection of the fundamental interests of the bourgeoisie as its starting point. While their laws recognize the rights of citizens to democracy and freedom, they also impose all kinds of restrictions on these rights. In other words, the "expressions of freedom, equality, and democracy in law" in Western countries cover more than rights. They also cover duties. Take human rights (freedom) for instance. Article 4 of the "Declaration of the Rights of Man and Citizens" promulgated in France in 1789 stipulates: "Political liberty consists in the power of doing whatever does not injure another. The exercise of the natural rights of every man has no other limits than those which are necessary to secure to every other man the free exercise of the same rights; and these limits are determinable only by the law." Relevant legal provisions in other capitalist countries also show that human rights and freedom, as basic citizen rights, are likewise expressed as rights as well as duties in law.

Take the freedom of speech and publication for another example. Article 5 (freedom of expression) of the Basic Law of the Federal Republic of Germany stipulates: "1) Everyone shall have the right to freely express and disseminate his opinion by speech, writing, and pictures and to freely inform himself from generally accessible sources. Freedom of the press and freedom of reporting by means of broadcasts and films are guaranteed. There shall be no censorship. 2) These rights are limited by the provisions of the general laws, the provisions of law for the protection of youth, and by the right to inviolability of personal honor. 3) Art and science, research and teaching, shall be free. Freedom of teaching shall not

absolve from loyalty to the constitution." What else can notions such as "these rights are limited by the provisions of the general laws" and "not absolve from loyalty to the constitution" refer to if they do not refer to duties? Hence, in capitalist countries, freedom of expression and publication is not above the limitation of duties. For instance, if the exercise of the freedom of expression and publication exceeds the limits permitted by bourgeois laws, that freedom will immediately come to naught.

Again, let us take a look at the freedom of assembly and demonstration. Since assembly and demonstration pose a still greater threat to the rule of the bourgeoisie, as they have translated words into actions, the restrictions imposed by the laws of capitalist countries on assembly and demonstration are much more stringent than those imposed on the freedom of expression and publication. In Western countries, the principles governing assembly and demonstration are laid down in the constitutions. The United States, the FRG, and Japan have even promulgated separate laws and regulations concerning assembly, demonstration, and strikes. There are detailed and specific provisions concerning the rights and duties of citizens in assembly, demonstration, and strikes, such as the system and procedure of application and approval; the time and venue of assembly, demonstration, and strikes; the reasons and circumstances for the prohibition of assembly, demonstration, and strike; the criminal liabilities of those engaged in illegal assembly, demonstration, and strikes; and so on. It can thus be seen that in capitalist countries, citizens must strictly abide by the provisions of their constitution and laws in exercising their right to assembly, demonstration, and strike, and must perform their bounden lawful duties. If they merely want to exercise their rights without performing their duties or if they overstep the limits prescribed by bourgeois laws, their freedom to hold assemblies, demonstrations, and strikes will be replaced by police suppression.

Take the freedom of association for another example. Freedom of association in capitalist countries refers chiefly to the organization of political parties and social organizations, such as trade unions and peasant associations. Since these associations intervene in and affect the political life of the state to certain extents, all countries have imposed strict restrictions on the freedom of association in their constitutions. The United States has the strictest restrictions on the freedom of association. Although the U.S. Constitution does not have any stipulations on the freedom of association, Article 2 of the "Smith Act," better known as the "Alien Registration Act," promulgated by the U.S. Congress in 1940, stipulates that any person who organizes or attempts to organize associations and groups that "teach, advocate, or abet the overthrow of any government in the United States by force and violence" shall constitute a crime. The act carried maximum criminal penalties of up to 20 years in prison or a fine of up to \$20,000. The United States also promulgated in 1954 the "Communist Control Act," which declared the Communist Party of America as illegal and deprived the Communist Party of

all "rights, privileges, and immunities attendant upon legal bodies created under the jurisdiction of the laws of the United States." These situations show that Western countries have also imposed many stringent lawful duties on the right to the freedom of association, that these duties may render it impossible to exercise the right to the freedom of association. On the other hand, they also show that the fundamental aim of Western countries in restricting the freedom of association is not so much to restrict the survival and development of bourgeois political parties as to restrict the working class and laboring people from organizing parties and associations to defend their own interests.

From the above, we can see that in capitalist countries in the West freedom, equality, and democracy are expressed as rights as well as duties in law. They not only lay equal stress on rights and duties, but, quite contrary to "the rights-oriented theory of jurisprudence," sometimes use duties to offset and negate rights. In their political propaganda, capitalist countries tend to stress how they recognize and protect the rights of citizens and evade or conceal the issue of how they restrict citizen rights. By emphasizing rights and omitting any reference to duties, they create the false impression that the West is "the sacred land of democracy and freedom," where people can follow their inclinations, where words and actions are not restricted by laws, and where people can say and do as they please. This kind of propaganda is obviously a deception and is completely at variance with the reality in these Western countries.

#### 4. The Unity of Rights and Duties Is a Basic Marxist Concept and the Basic Principle of the PRC Constitution

The basic Marxist concept on the relationship between rights and duties may be summed up as follows: First, rights and duties have their class character. In other words, lawful rights and duties are not intrinsic, but are products of the class society like states and laws, and bear the clear imprints of class. Second, rights and duties have their limitations. In other words, citizen rights and duties are products of a given historical stage of social development. They are not only conditioned by the social system and the nature of the state, but are subject to the influence of economic and cultural development. Third, rights and duties are a dialectical unity. Marxism maintains that, in a society based on private ownership, since the exploiting classes occupy a dominant position in the political and economic spheres, they can make use of the law as well as ways and means outside the law to secure privileges for themselves. The slave and feudal societies were stratified and privileged societies without disguise. The capitalist society, however, is a stratified and privileged society under the cover of convincing terminology, such as "freedom, equality, and universal love." The broad masses of laboring people are enslaved and exploited, for they are burdened with numerous arduous tasks. Hence, in a society dominated by the exploiting classes, rights and duties are separate and form an antithesis. As Engels said, "And while among

barbarians, as we have seen, hardly any distinction could be made between rights and duties, civilization makes the difference and antithesis between these two plain even to the dullest mind by assigning to one class pretty nearly all the rights, and to the other class pretty nearly all the duties."<sup>5</sup> The separation and antithesis between rights and duties are the outcome of the split of society into classes. Only when the exploiting classes and the system of exploitation have been wiped out can we eliminate the social foundation that supports the separation and antithesis of rights and duties, and bring about the unity of rights and duties. This is one of the great aims of the socialist revolution. Marx said in his draft Common Program for the International Workers Union that "There are no rights without duties, and no duties without rights."<sup>6</sup> In socialist society, the unity of rights and duties reflects the unity of the interests of the state and the interests of the people. In our country, the more extensive and protected are citizens' rights to democracy and freedom, the more citizens will feel the superiority of the socialist system, and the more consciously will they perform their duties. When citizens seriously perform their duties, it will be conducive to the maintenance of the political situation of stability and unity, the promotion of the smooth progress of reform, opening up, and the four modernizations, and the creation of richer material conditions for citizens to better enjoy their rights. Hence, rights are the prerequisites for the performance of duties, and duties are the foundation for the exercise of rights. The two must be united rather than pitted against each other.

The Constitution of the PRC has Marxism-Leninism-Mao Zedong Thought as its guiding ideology. Based on the principle of the unity of rights and duties, it stipulates the basic duties to be performed by citizens while stipulating that Chinese citizens enjoy extensive rights to democracy and freedom. Article 33 of the Constitution stipulates: "All citizens of the PRC are equal before the law. Every citizen enjoys the rights and at the same time must perform the duties prescribed by the Constitution and the law." Apart from this, as an important guiding ideology that runs through the Constitution and as an important principle of the Constitution, the principle of the unity of rights and duties also finds unequivocal expression in many of the concrete provisions of the Constitution. In other words, if a person wants to enjoy the rights prescribed by the Constitution and the law, he must first perform the duties prescribed by the Constitution and the law. In our socialist society, the law does not allow us to assign rights to one group of people and duties to another group. Every citizen is equal before the law. To begin with, they are equal in the rights they enjoy and the duties they perform. It must be clearly understood that the rights prescribed by the Constitution are voluntary and to be "enjoyed," while the duties are compulsory and "to be performed." Hence, as far as citizens are concerned, rights may be enjoyed or relinquished. It is up to them to decide whether they want to enjoy or relinquish these rights, and the state cannot intervene by force. However,

citizens cannot decide whether or not they want to perform their duties. Citizens' duties prescribed by the Constitution must be performed and there is no room for bargaining. If a person is required to perform his citizen's duties and has the ability to do so, but deliberately refuses to honor his obligations, the state will intervene and there will be legal consequences. In serious cases, this will constitute an offense in law and will be criminally prosecuted. In order to prevent a situation where people only want democracy but not the legal system, only want freedom but not discipline, and only want to enjoy rights but do not want to perform duties, Article 51 of the Constitution also stipulates: "The exercise by citizens of the PRC of their freedoms and rights may not infringe upon the interests of the state, of society, and of the collective, or upon the lawful freedoms and rights of other citizens." This provision is important in the sense that it further points out that the rights and duties of Chinese citizens are united and cannot be separated. When a citizen exercises his freedoms and rights he must abide by the relevant provisions of the Constitution and the law and perform his duty of not infringing upon the interests of the state, of society, and of the collective, or upon the lawful rights of others. No organization or individual shall have the privilege to overstep the Constitution and the law. In our Constitution, the unity of rights and duties is the unity of democracy and the legal system and the unity of freedom and discipline. This unity is the expression of the basic characteristics of our socialist system of democracy and the fundamental interests of the people it represents.

We may sum up our discussion briefly as follows: "The rights-oriented theory of jurisprudence" is not only diametrically opposed to the Marxist theory of the unity of rights and duties, but goes against the basic principle and spirit of the Constitution and the law of our country. The fact that a handful of people frenziedly upheld and preached this anti-Marxist viewpoint has already produced harmful results in practice. Since "the rights-oriented theory of jurisprudence" essentially stresses rights at the expense of lawful duties, and since it brandishes the banner of opposing the feudal practice of taking "the state, duties, and bureaucracy as the standard," it can mislead a lot of people. Inexperienced young students found it particularly enticing. Thus, this viewpoint not only created confusion in basic theory, but affected people's thoughts and deeds, seriously hampered the implementation of the Constitution and the law, and constituted an unfavorable factor in the maintenance of social stability and normal public order. It is by no means fortuitous that such an erroneous viewpoint emerged and prevailed. For some time, a handful of people who stubbornly engaged in bourgeois liberalization had been going all-out in their efforts to publicize Western notions of freedom, democracy, and human rights. They wanted us to effect total Westernization in political matters and replace the socialist system of democracy with the bourgeois system of democracy. They cut off the relationship between democracy and the legal system, between freedom and discipline and

between rights and duties; preached notions of "natural human rights," "absolute democracy," and "unlimited freedom"; and said nothing about the duties prescribed by the Constitution and the law for every citizen. They attempted in vain, through this kind of demagogic and lopsided propaganda, to incite opposition to the socialist system in order to achieve their political objectives. The political storm which occurred in late spring and early summer last year showed that some people, particularly the young students, were influenced by this kind of erroneous idea. They were unable to correctly appraise the relationship of dialectical unity between democracy and the legal system, between freedom and discipline, and between rights and duties. They saw democracy as "absolute democracy" without the legal system; saw freedom as "absolute freedom" without the restriction of any laws; and saw rights as "absolute rights" without correlative duties. Hence, they ignored the interests of the state, of the collective, and of other people, and did things that hurt those dear to us and pleased our foes. It has been fully borne out by facts that regardless of the subjective intentions of the advocates of "the rights-oriented theory of jurisprudence," the emergence and dissemination of this erroneous viewpoint objectively serves the political needs of the handful of people who engaged in bourgeois liberalization. We may even say that this viewpoint provided the theoretical basis, from the angle of law, for the ideological trend of bourgeois liberalization, and, in my opinion, this is the major harm of "the rights-oriented theory of jurisprudence." It is precisely for this reason that we cannot take a laissez-faire attitude toward this erroneous viewpoint. We must maintain a clear-cut stand in defending the basic principles of Marxist law and clarify the theoretical rights and wrongs on this major issue.

#### Footnotes

1. *Oxford Companion to Law*, p. 488.
2. *Two Treatises of Government*, Volume 2, p. 36.
3. *The Spirit of Law*, Volume 1, p. 154.
4. *Selected Works of Thomas Jefferson*, p. 75.
5. *Selected Works of Marx and Engels*, Volume 4, p. 174.
6. *Ibid.*, Volume 2, p. 137.

#### Discussion on Integration of Planned Economy and Regulation by Market Mechanism

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in Chinese No 13, 1 Jul 90 pp 16-25

[Article by Lu Baifu (7120 4102 3940), Song Tingming (1345 1694 2494), Zhan Wu (6124 2976), Zhang Zhongji (4545 6945 1015), Lin Zhaomu (2651 0340 2606), Huang Zherqi (7806 2182 1142), Zhao Renwei (6392 0086 0251), He Jianzhang (0149 1696 4545), Ren Junyin (0117 1498 0995), and Liu Minxue (0491 2404 1331)]

[Text] Editor's note: Regarding the discussion on integration of planned economy and regulation by market



mechanism, some speeches were carried in the preceding issue; this issue carries the final speeches. [end editor's note]

### **The Meaning of the "Planned Nature" of Socialist Economy Must Be Understood Correctly**

*By Lu Baifu [7120 4102 3940], researcher and responsible person of the macroeconomic research section, Development Research Center, State Council*

To correctly plan the macroeconomic structure for the integration of planned economy and regulation by market mechanism, the key lies in having a correct understanding of "planned nature." In his report on government work to the Third Session of the Seventh National People's Congress [NPC], Comrade Li Peng pointed out that the basic criterion for examining whether the integration of planned economy and regulation by market mechanism is good or bad is whether or not it can promote the improvement of socialist economic benefits; and also promote the sustained, stable, and coordinated development of the national economy, and not act as an abstract principle or pattern. I believe that this is an exceptionally important and correct conclusion and has important significance in the study and planning of the macroeconomic structure for integration of planned economy and regulation by market mechanism.

For a prolonged period in the past, there was a prevalent understanding to the effect that "planned nature" and "mandatory nature" were equivalent, and that to effect a "planned nature," it would be necessary to enforce a "mandatory" one. Some even believed that economic planned nature must embody all aspects of economic planning; enforcing, in their multifarious forms, planned production, distribution, circulation, and consumption. This was a misinterpretation of the meaning of the "planned nature" of socialist economy.

Lenin pointed out that constantly and consciously maintaining a balance is in reality a planned character. This is the best conclusion of the meaning of the "planned nature" of socialist economy. Lenin's theory carried the following meaning: 1) The various departments of the national economy consciously maintaining a balance, that is, proportionate development, is the most important indication of a planned character; and 2) in realizing a proportionate nature, it is necessary to dispel the ideal of complete, spontaneous market regulation.

As everybody knows, the common law of social economic development is according to proportion and this applies to all forms of social systems. However, how realizing proportionate development differs in different social systems. In a capitalist society, due to the role of the basic economic laws, proportion is realized through economic periodical fluctuations and the market's compulsory depression, and hence possesses an extremely large spontaneous and destructive nature. Although certain capitalist countries of the modern era have resorted

to the method of state economic intervention to coordinate proportion, and on certain sides and in certain periods definite results may have been generated, on the whole they still cannot avoid economic crises. Under socialist conditions, employment of the public ownership system as the leading factor to make national economic development, through regulation by state planning, become coordinated, is a possibility, but in its realization it is still necessary to set up a set of macroeconomic regulatory systems which can realize this demand and are suited to national conditions. If such a set of regulatory mechanisms to effectively regulate economic operations is absent, then in a socialist economy a proportionate lack of coordination and economic fluctuations may also occur.

In order to establish a planned macroeconomic regulatory mechanism of the socialist economy, possession of the following basic points is necessary:

1. There must be mutual containment between the superior points of socialist economic planning and the vitality of commodity economy, so that the "planned nature" and "commodity nature" of the economy may organically merge, be mutually coordinated, mutually supplemented, and mutually infiltrated.

2. The coverage of the "planned nature" and "commodity nature" of the economy must extend over all of society. In the operation of the national economy, the "planned" and "commodity" natures should be omnipresent; the state should not merely take care of the "planned nature," and the market manifest the "commodity nature."

3. The state's regulatory form with respect to the operation of the national economy should not be confined to management of planned targets and administrative coordination. The form employed should be one of the combination of regulation by economic policy, use of economic levers, and management and control of planned targets, which should give economic activities principally through regulation by economic policy and use of economic levers.

4. In balancing the national economy, the state should resort to the integration of the balancing of value volume and of the volume of goods in kind, and rely principally on the balancing of the value volume which lays stress on regulation of the operations and movements of money and capital funds, to realize control of the social gross volumes and regulation of the structure.

### **Grasp the Exact Point in Integrating Plan and Market**

*By Song Tingming [1345 1694 2494], director, Theoretical Propaganda Bureau, State Structural Reform Commission*

How to carry out the integration of plan and market is a topic met with in the course of reforming the economic



structure. On the one hand, we cannot continue as in the past to enforce a complete planned economy with a high degree of centralization; and on the other hand, cannot, as in the case of Western countries, enforce a market economy entirely under market regulation. The only correct choice is to go the road of integration of planned economy and regulation by market mechanism and, on the foundation of the socialist public ownership system, integrate the superior points of planned economy and the flexibility of regulation by market mechanism.

Planned and market regulation are the state's two forms of tactics and methods in carrying out economic regulation and control. They cannot replace each other, but can be mutually integrated. Be it planned or market regulation, it is necessary both to consciously abide by and employ objective economic laws, particularly the law of value, and to make an overall employment of economic, legal, and administrative measures to regulate and guide the operation of the economy. This requires that we, when carrying out planned regulation, fully consider the demands of objective economic laws and prevent and overcome subjectivism. When employing market regulation, it is necessary to strengthen the control and guidance of the market, to prevent and overcome its blind and spontaneous nature. After the accumulation of many years of experience, on the one hand, we have not been able to achieve ideal planning, but rather have concentrated too much on centralization and have exerted too-rigid control; and, on the other hand, we have also failed to perfect the market and have allowed the economy to freely go its own way. Neither planning nor the market is all powerful. The key lies in grasping the exact point for realizing the best integration of the two, displaying the strong points of the two, forming the mutual supplementing of their superior points, and thereby cutting down to the minimum the problems that can appear between the two. In locating the exact, suitable point in the integration of the two, we should pay attention to the following four problems:

1. The problem of the timing and locality of integration of the two. (Grasp well the timing and locality of this interaction) In different historical periods, the relative weight occupied by the degree and scope of the integration of plan and market in the national economy are different. At times, planning is utilized more, as, for example, in the period of restoration of the national economy and the period of enforcement of economic readjustment. At other times, the market is utilized more, for example during the new period of carrying out administrative reform and opening to the outside world. The degree of integration of the two needs to be promptly readjusted and flexibly handled according to the objective demands of economic development in different periods.

2. The problem of the scope of integration of the two. (Grasp well the scope of integration) Speaking for the national economy as a whole, in different localities, industries, trades, enterprises, and products, that is, in

different areas, the degree and proportion of the integration of plan and market are all different. Generally speaking, in the basic industrial departments such as energy, raw materials, communications, and transport, the relative weight of planning is larger, whereas in the rank-and-file processing industry, departments of industries for civilian use which are of a strong competitive and selective character, and circulation areas of individual consumer goods, the proportion of market regulation is larger. Along coastal areas open to the outside world, the proportion of market regulation is larger, while in the inland where raw materials are produced, the proportion of planning is larger. In large and medium-sized backbone enterprises under the system of ownership by the whole people, the proportion of planning is larger; while, in general, medium-sized and small enterprises under the system of ownership by the whole people, and town and township collective enterprises, the relative weight of market regulation is larger. As for the economy not under the public ownership system, it is under market regulation under the guidance of the national plan. In the case of initial-grade products with an important bearing on the national economy and the living of the people, such as grain and industrial raw materials, the relative weight of planning is larger, whereas in the rank-and-file intermediate processed products and end products, the relative weight of market regulation is larger, and so on.

3. The problem of requirements in the economic environment for integration of the two. General speaking, in a loose economic environment with a relative balance in gross social supply and gross social demand, or with supply slightly larger than demand, the relative weight of planned regulation is slightly smaller and market regulation is larger. Contrarily, in a stringent economic environment with an extreme imbalance in supply and demand and serious currency inflation, the relative weight of planning is larger. Therefore, maintenance of a balance in supply and demand is a basic condition for realizing the best integration of plan and market.

4. The problem of management conditions for integration of the two. Be it the enforcement of planned regulation or market regulation, it is necessary to continuously improve management methods and to enhance the management level. For planned regulation to attain anticipated results is determined by the plan's scientific character, feasibility, and the management level in enforcing the plan. Similarly, the release of certain economic activities from the enforcement of market control is determined not only by the maturity of the market itself, but also by the ability and level of market management of our economic departments in the development of the economic levers. If the plan is unscientific, "management will inevitably be fatal," and if the market rules are not healthy enough then "confusion will follow decontrol." Therefore, we must constantly elevate the level of planned and market management, gradually realize the organic integration of plan and market, and

accomplish the feat of "controlling but causing no fatalities and enlivening but causing no confusion," and enable the economy to enter into a benign cycle.

We should not only integrate the strong points of plan and market, but should also do the utmost to avoid "mixing their weak points." If the subjectivism in planning and the blind spontaneity of the market are "mixed together," then it is possible to generate many strange consequences, such as redundant construction, loss and waste, internal strife in consumption, reciprocal blockades, violation of law and discipline, and so forth. The 10 years of actual practice in reform and opening up have amply testified that if we could only firmly grasp reform and opening up with one hand, and grasp legislation construction with the other hand, then there would be integration of the strong points of plan and market, avoidance and overcoming of passive phenomena, and continuous injection of life and vitality into the socialist economy, displaying all the more fully the superior nature of the socialist system.

#### **Integration Is a Must and Is Possible, But How Is It Accomplished?**

*By Zhan Wu [6124 2976], member, State Structural Reform Commission*

The rich experiences in socialist economic construction in our country can answer, on the basis of the integration of theory and practice, the three problems of organic liaison in the necessity to integrate, the possibility of integration, and the way to integrate planned economy and regulation by market mechanism.

The necessity of integration. Because, speaking of the basic system, ours is a socialist planned commodity economy built on the foundation of the public ownership system, if we do not consciously carry out a planned and proportionate development of the national economy, but instead deviate from the state's planned guidance, then we will go against the direction of socialism, and slip onto the awkward road of blind development. Similarly, if integration is not made with market regulation, the planned economy will show overcentralization, control will be too tight, the entire economy will lack vitality, and commodity economy cannot develop smoothly. Speaking of the relations of plan and market, both are regulatory measures over the operation of socialist commodity economy. They must be suited to each other and be coordinated mutually. On the one hand, market regulation must accept the state's planned guidance, adjustment, control, and management, otherwise the market structure and market mechanism cannot be rapidly established and grow to maturity; nor will the market mechanism be able to normally, and in a healthy manner, display its role. On the other hand, planned regulation should be installed on the foundation of conscious utilization of the law of value and the law of supply and demand, otherwise planning will deviate from reality and become infeasible.

The possibility of integration. This is because: First, actual practice in the 10 years of reform has enabled us to make clear the innate difference between a socialist market and a capitalist one. A socialist market is built on the foundation of the public ownership system occupying absolute supremacy, while a capitalist one is founded on the basis of the capitalist private ownership system. The socialist market is built in a planned and organized manner. It operates healthily under the state's planned guidance, adjustment, control, and management. This is basically different from the spontaneously formed and blindly developed capitalist market. Second, if the problem of understanding is solved, our socialist state will be capable of using in a planned manner the various kinds of administrative, legal, and economic measures it holds in its hands, and, based on the needs and conditions of development of the planned commodity economy, of setting up a socialist market system and market mechanism. It can also adjust, control, and manage them in a planned manner, make them grow, improve, and operate in a healthy manner. Third, planned economy and regulation by market mechanism do not inevitably oppose or repel each other. If the two are separated, an absolute planned economy will strangle the economy to death, and blind market regulation will plunge it into confusion. Only through the organic integration of planned economy and regulation by market mechanism, joining their strengths, will it be possible to effectively push the sustained, stable, and coordinated development of the national economy.

How to bring about integration. First, there must be an extensive understanding of planned economy. The innate special features of socialist planned commodity economy are planned and proportionate development, realization and maintenance of macroeconomic balance, that is, ability to realize the balancing of gross supply and gross demand and the four balances of finance, credits and loans, material resources, and foreign exchange. And only through doing so can the plan be realized, can the market mechanism operate normally, can price signals retain their veracity, and can there be equal competition among enterprises in the market. Contrarily, if macroeconomic balance is damaged, proportionate relations are seriously out of order, and there is sustained currency inflation, then there can be no mention of the planned character, the market mechanism will be distorted, and plan and market cannot be put in order and cannot be integrated. Second, in planning work, including mandatory and guidance planning, it is necessary to consciously consider the use of the law of value and the law of supply and demand. In particular, guidance planning cannot have a compulsory nature but should rely principally on playing its role through economic policy and economic levers. Third, it is necessary to correctly understand the use of regulation by market mechanism. The market regulation we talk about is 1) built on the foundation of the public ownership system; 2) built by the state in a planned and organized manner; and, 3) the state still must employ policy, plan, economic levers, economic

rules and regulations, and so forth, to adjust, control, and manage it so that it is possible to reduce the market's blind nature.

#### **Control Those That Should Be Controlled; Decontrol Those That Should Be**

*By Zhang Zhongji (4345 6945 1015), head, Department of Overall Affairs, State Statistical Bureau*

The purpose of enforcing the integration of planned economy and regulation by market mechanism is to organically integrate the strong points of the two, perform a good job in macroeconomic control, accomplish microeconomic invigoration, and set up an economic operational mechanism with Chinese characteristics.

In enforcing planned management and control, the principal purposes of the state are to survey the whole macroeconomic situation; perform a good job on the wide-scale, important side, including the compilation of a feasible, intermediate, and long-term economic development strategy and national economic plan that conform to China's national conditions; balance social gross supply and demand; and balance and ensure the reciprocal liaison of various sectors, such as finance, credits and loans, foreign exchange, material resources, and so forth. Hence, it is necessary to establish a strong and powerful system of macroeconomic commands, consciously make use of the role of the various economic levers, integrate effective measures in administration and management and flexible market regulatory measures, and enhance macroeconomic adjustment and control capability. It is also necessary to improve and perfect the democratic and scientific macroeconomic policymaking system and procedure, including such aspects as news and information, discussions and testimonials, policymaking, execution, coordination, supervision, feedback, and so forth, and do the utmost to prevent the possible occurrence of major errors or deviations.

Economic activities are complex and complicated. Economic acts of microeconomic principal bodies (enterprises, residents) cannot all depend on arrangements by plan and, to a very large extent, are subject to self-selection based on market news. Hence, microeconomic activities are regulated principally by the market. In the long run, the scope of market regulation should cover society as a whole. To truly put the role of market regulation into full play, it will be necessary to make the enterprises of various economic categories and types become relatively independent commodity producers and operators, that can, under conditions of equality, actively participate in market competition.

Since reform and opening up, market elements have gradually infiltrated the various sides of economic life. At present, in the purchase and sale of consumer goods, aside from an extreme minority of important consumer goods which carry out contractual purchases and supply based on coupons or other vouchers, the great majority universally carry out free and selective purchases or purchases and sales at negotiated prices. However,

regardless of the forms employed, consideration must be given to the supply and demand relations of the market and to the conscious use of the law of value. Although mandatory planning is of a compulsory nature, if the state's policy and plan give no consideration to the law of value and to taking all-round care of the interests of various sides, then in the course of execution they may frequently become distorted and discounted, and may even have negative effects. As for guidance planning, it needs to depend, on top of the basis of abiding by the law of value, on economic policy and economic levers to effect the realization of its aims.

The pivotal point of market regulation is the price mechanism and only when the prices of various kinds of commodities can truly reflect value and supply-demand relations can there be effective operation of regulation by market mechanism. At present, there are "double-track" prices, and price signals are seriously distorted. It is necessary to actively and safely push reform of the price structure. Naturally, because the supply-demand flexibility of many scarce products is small and hidden demand is still very brisk, price reform must be carried out carefully and gradually.

#### **From Solving Existing Problems To Performing Integration Well**

*By Lin Zhaomu (2651 0340 2606), research fellow, Economic Research Center, State Planning Commission*

Over the 10 years and more of reform, on the side of the integration of planned economy and regulation by market mechanism, our country has made an active and bold investigation, and has advanced a big step forward both in theory and practice. On the precondition of the principal body insisting firmly on planned economy, in the control of the majority of state-run enterprises, the state has been gradually shifting from effecting principally direct control to indirect control. In the production and circulation sectors the number and variety of mandatory plans have dwindled from 120 in 1984 to about 50 in 1988. In gross value of industrial output, mandatory planning occupied about 17 percent; guidance planning, around 40 percent; and regulation by market mechanism, about 40 percent. Commodity markets have steadily developed and money, technology, and service markets have begun to be established. Initial reform has been going on in the price structure and price control system, in the various categories of commodities, the proportion of prices fixed by the state has fallen, while the proportion of prices fixed by the market has risen. The portion of prices fixed by the state is roughly 25 percent in sales of agricultural products, about 30 percent in retail sales of consumer goods, and 60 percent in the ex-factory prices of means of production. Over the past 10 years, the general direction of the reform has been fixed and determined.

But there have also been errors and bitter lessons, the most prominent being that, in recent years, macroeconomic loss of control led to inflation in fixed assets



investments and too-rapid growth in consumption funds, causing large imbalances in the national economy, and, in the fourth quarter of 1988, serious currency inflation erupted. After a year of improvement and rectification, although currency inflation subsequently came under control, problems in many deep-going layers have not been solved. To get out of this dilemma, to continue to push improvement, rectification, and deepening of the reform, and to maintain the sustained, stable, and coordinated development of the economy in the 1990's the key lies in whether we can handle well the relations between planned economy and regulation by market mechanism and bring about an even better integration of the two.

Seen from current conditions, in order to improve this "integration," I believe that we should emphasize solution of the following problems:

First, smooth out the prices step by step and push price reform. Basic stability in the general level of prices and the generally rational comparative prices of various kinds of commodities are the most basic conditions for realizing integration of planned economy and regulation by market mechanism. In more recent years, there was worsening of the situation of price confusion and distortion in comparative prices. The fact that one article can have several prices, and the "double-track" price system in means of production, have severely damaged the image of the planned economy. The fixed prices of many products were irrational and violated the law of value. On the one hand, this caused heavy losses in enterprises, industries, and trades which were victims of mandatory planning, and, on the other hand, the burden of financial subsidies on national finance became increasingly heavy. In 1989, the sum total of enterprise loss subsidies and price subsidies expended by national finance amounted to 97 billion yuan and consumed one-third of the year's financial revenues. In 1990, it is time to control and reduce their continued increases.

Second, strengthen the state's adjustment and control of the macroeconomy. The more the economy is invigorated, the more it is necessary to strengthen the control and regulation of the macroeconomy. The purpose of macroeconomic control is to maintain balance in the economic gross volumes and coordinate the important proportionate relationships. The major points should be control over the gross volume of the state's fixed assets investments and consumption funds, balancing the gross volume of receipts and outlays in national finance, credits and loans, and foreign exchange, and readjustment of the large and important structures. Consequently, the state must directly grasp and allocate a portion of investments, material resources, and foreign exchange, and at the same time directly control the main economic activities of a minority of large enterprises. In order to strengthen the state's power in macroeconomic adjustment and control, it is necessary to: 1) Firmly insist on the existing mandatory planning; 2) Gradually readjust the distribution relations between the central government and the localities, and adequately raise the

ratio of central financial receipts in the entire financial receipts; and 3) Effect an even closer and mutual cooperation between the macroeconomic adjustment and control departments of planning, finance, banking, and so forth, and gradually set up a macroeconomic adjustment and control system in the new situation.

Third, continue to set up and improve the market structure. At the moment, the artificial demarcation of spheres of influence and market blockading still impeded the rational circulation of commodities and essential elements of production, and also impeded the development of a unified national market. Irrationality in the price structure, imperfection in market regulations, rules for competition, and confusion in the economic order, have created many conditions for unequal and improper competition. In order to fully display the active role of market regulation and to prevent and overcome its blind and passive nature, we should actively promote the formation of normal competition and, at the same time, strengthen control and set up and perfect the regulations covering market competition.

Fourth, set up a perfect mechanism for the self-restriction of enterprises. At present, on the one hand, administrative intervention in the enterprises and levying impositions on them are still rampant and the enterprises lack the necessary conditions for autonomous operation. On the other hand, following the expansion of the autonomous power of enterprises, they lack the necessary self-restriction. Enterprises are the little cells of the national economy. If they are unable to make a flexible and effective reaction to macroeconomic adjustment and control and market regulation, then neither plan nor market can display its effective role. The reform direction of separating government from enterprise functions should be firmly insisted upon. Based on different industries and trades and different enterprises, different methods should be adopted for the separation in varying degrees of ownership right and right of operation. Aside from a minority of important enterprises and products with a bearing on the national economy, and the livelihood of people which should still be under the direct control and management of the state, the remaining majority of enterprises and products should be subject to gradual decontrol, allowing the enterprises to operate autonomously and the principle of survival of the fittest to prevail. The steps in decontrol should be in accord with the strengthening of the power in macroeconomic adjustment and control, and the setting up and perfecting of various kinds of laws and regulations.

#### Working on Perfecting the Operational Mechanism

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Forty years of experience in economic development have shown that under the conditions at the current stage, one-sidedly stressing the role of planning while overlooking or refuting the role of the market will inevitably



make economic development lose its vitality and slacken progress in technological development. However, one-sidedly stressing the role of the market, weakening the role of planning, and even eliminating planned regulation altogether will cause disturbances in socioeconomic life and in the end endanger the existence of the public ownership system. Only through correctly carrying out the integration of planned economy and regulation by market mechanism will it be possible to display the superiority of the socialist system and promote development of the productive forces. In my opinion, enforcing integration of plan and market should center on improving and perfecting the market and the planning mechanisms.

1. Further fostering the market mechanism. In the course of reform, appropriately delegating power and ceding interests are a prerequisite condition for the market mechanism to display its role, but pure and simple opening up cannot ensure that the market will normally display its role, and attention must still be paid to fostering and nurturing the market mechanism. First, we must further deepen enterprise reform and perfect the enterprise mechanism. Following the delegating of power and ceding of interests on a relatively large scale, a considerable number of enterprises have still continued the practice of "everybody eating from the same big pot," and have failed to set up a truly stimulating mechanism or restrictive mechanism. Enterprise mechanism is the foundation of market mechanism. An imperfect and unhealthy enterprise mechanism inevitably impedes market competition and impedes technological progress and the advancement of economic effects. Second, it is necessary to deepen reform of the circulation system, smooth out and expand the circulation channels, and promote the formation of a unified large market for the whole country. At present, the existence, to a certain degree, of locality blockades and departmental monopoly will cause the demarcation of spheres of interest in the market, formation of market barriers, disruption of the principle of survival of the fittest, disadvantages to the rational flow of material resources and commodities, and disadvantages to the ameliorated allocation of social resources. Third, deepen price reform and smooth out price relations. The price mechanism is the pivotal problem of the market mechanism. If the comparative prices of the various kinds of products are irrational, market regulations will inevitably go the road opposite to the demands of economic development. In real economic life, it sometimes happens that the more products belong to the "bottleneck" category and the more important the resources in scarce supply, the more readily their prices tend to be lower and, as a result of the market playing its spontaneous role, investments are frequently attracted to other products and industries. We should grasp the relatively lax environment growing out of the improvement and rectification and accomplish worthy results in the readjustment of the price structure of the basic industries. In addition, for the sake of perfecting the market mechanism we must still strengthen legislation construction

and industrial and commercial administrative management and control, standardize market actions, and protect legitimate competition.

2. Further improving and perfecting the planning mechanism. Appropriately centralizing power and authority is a prerequisite for performing planned management well. But power centralization is not equivalent to the possession of a perfect and healthy planning mechanism. The existing planning mechanism does have many problems which need to be studied and solved. First, we should further advance the scientific character of decision-making in planning. This is the key to doing a good job in planned management. In the 10 years of reform and opening up, the scientific character of decisionmaking in planning made certain advances, but errors occurred at times. For example, too much authority and power were delegated downward in investment items, financial power was too scattered, issuance of banknotes exceeded economic principles, and there was the "double-track" system in prices, and so forth. All these produced rather large passive effects on our country's economic development. The basic cause of errors in decisionmaking in planning was the arrival at hasty conclusions without having first fully gone into consultation and discussions. At present we are engaged in compiling the "Eighth Five-Year-Plan" and fixing the policies on such sectors as finance, currency, investment, and consumption. It is necessary for us to earnestly sum up past experiences and lessons, do well in economic forecasting, extensively socialize the views from various sides, and perform a good job in overall balancing, discussing, and commenting. Second, we should further put in good order the relations between important macroeconomic departments such as planning, finance, banking, and structural reform, and perform well the job of overall adjustment and control of planning. Enforcement of planned economy is not merely a matter of the planning department. Rather, in the course of plan compilation and execution, all the various macroeconomic departments should correctly display their functions, cooperate with each other and restrict and restrain each other. At present, stress should be laid on solving the problem of many departments having their say, and insufficient coordination and balancing. Third, relations between the central government and the localities should be further readjusted and smoothed out. The scope of duties and power of each should be correctly demarcated and management of planning at different levels should be carried out well. In addition, we must readjust and improve the industrial and economic regulation policies, handle well relations between the three types of management such as mandatory planning, guidance planning, and regulation by market mechanism.

#### Summing Up Experiences, Continuing the Advance

By Zhao Renwei [6392 0086 0251], director, Economic Research Institute, Academy of Social Sciences of China

Since the Third Plenary Session of the 11th CPC Central Committee, our country's reform of the economic structure, aimed at the traditional system which repelled the role of market mechanism, has continuously increased the role of market mechanism and carried out the organic integration of plan and market. In my opinion, the direction and accomplishment of the reform should be fully acknowledged and affirmed.

But there are still certain experiences and lessons worthy of summing up and studying. For example, on the side of market regulation, we should make a summation on which side the role of market mechanism could and could not be displayed. Which were the aspects which should not have been turned over to the market but were delegated to the market for handling and disposal? Over the past 10 years, urban house rent and public transportation fees in certain large cities and towns have basically been frozen. As the monetary income of residents in cities and towns has enjoyed relatively large increases, the proportion of per capita annual house rental expenses out of the gross outlay of per capita annual living expenses has been on a downward trend. According to data from the State Statistical Bureau, this ratio not only dropped from the 2.5 percent in the 1960's to about 1.5 percent in the initial period of the reform, but also fell to 0.71 percent in 1988. This illustrates that, in urban housing distribution, the trend toward supply of goods in kind has been further strengthened, whereas the role of market mechanism has been weakened. More or less the same conditions have prevailed in public transportation and communication expenses in certain large cities and towns. The result was a large-scale increase in financial subsidies. This was nothing but the missing of a definite opportunity in the reform of the direction of the market, and should be thoroughly and earnestly summed up to learn a lesson from the experiences. Naturally, we should also see that, because of the lack of a sufficient understanding of the partial or limited nature of the market mechanism, conditions have existed of certain economic activities being given to market for its regulation at will, whereas they should not have been given at all. This has been seen in the sectors of education, publishing, and environmental protection, and deserves our drawing a lesson from the experience.

On the side of planned regulation, I believe that a rather important experience and lesson is that, in macroeconomic management and control, in the course of the transformation from principally direct control to principally indirect control, the situation of changes lacking any order has appeared. When direct control, which is the mark of mandatory plan, was gradually decreased, indirect control, a mark of guidance plan was not followed up appropriately. As a result, a relatively ideal state under the system of indirect control—invigorating but not causing chaos, and controlling but without being fatal—is produced. In the reform from now on, special attention should be paid to the problem of linking up in the process of structural transformation. If, because of various subjective and objective causes, (such as the

degree of market development, perfection of market structure, and quality and capability of management personnel) when indirect control system still cannot effectively take over then we should not proceed ahead lightly. This is to avoid the appearance of a vacuum, causing confusion and loss of control. Speaking from this context, reduction in the degree of direct control should be effected in accordance with the increase in the capability of indirect control. Naturally, in order to ensure the orderly changeover of the systems, we must devote utmost effort to prevent swinging back and forth between the two systems.

At the present stage, people frequently put the study of the relations between plan and market on the different proportions between mandatory planning, guidance planning, and regulation by market mechanism. This is necessary. But seen from the long-term, the major point of the study should be placed on the problem of how to organically integrate plan and market in the indirect control structure with guidance planning as the characteristic. All macroeconomic activities must be placed under the guidance of the state plan, while microeconomic activities must make flexible reactions to the various kinds of market coefficients. The difficulty of this kind of study is great, the demands are also higher, but this is where lie the important and difficult points in the organic integration of plan and market, and they must be earnestly solved.

Continuing to perform price reform is undoubtedly a most realistic and urgent problem in the correct handling of plan and market relations. In this country of ours with a wide expanse of territory and complex national conditions, it is not possible to achieve instant success in price reform, but we must lose no opportunity in carrying it out. Price reform embodies two sides of mutual liaison. One is using methods of price readjustment to change the distorted state in the relative prices of the various kinds of products; the other is through reducing the state's administrative control relative to prices, to make them resort to market law, that is, carrying out reform of the market formation mechanism. These two sides constitute what we have frequently called "integration of adjusting and releasing." In the stage of improvement and rectification, it is difficult to completely avoid resorting to strengthened administrative measures to effect price control, but it is necessary to grasp a fixed limit or extent in scope and timing. Historical experiences have shown that prolonged freezing of prices not only makes finance pay a high price in subsidies, but also, because of the distortion in economic relations caused by distorted prices, there is no way to ameliorate the allocation of material resources and to promote the readjustment of the economic structure and improvement of the productivity rate. Hence, firmly insisting on carrying out price reform is the key to displaying the role of market mechanism and is also an important condition for realizing the state's planned targets.

### **Solving Several Problems of Understanding and Real Problems**

*By He Jianzhong [0149 1696 4345], research fellow, Sociology Research Institute, Academy of Social Sciences of China*

The main purposes of the reform of the economic structure are to seek adaptability to the development of socialist planned commodity economy and to gradually set up a control structure and operational mechanism for the integration of planned economy and regulation by market mechanism. Setting up this kind of structure requires, in my opinion, the solution of several problems of understanding and real problems.

1. Planned economy and regulation by market mechanism are both innate unified organic bodies extending coverage to the whole national economy, with each being a part of the other. Only in the concrete form of the three kinds of integration, is there a difference in the extent of the role of planned economy and regulation by market mechanism.

2. Macroeconomically it is necessary to pay close attention to overall balance and coordination of the relation of the big and important ratios, and to comprehensively employ economic, legal, and administrative measures, as well as financial, credit and loan, and price measures and levers, to adjust and control economic operations. On this problem it is necessary to overcome the kind of one-sided viewpoint taking socialist economy of the public ownership system as destined to become an "economy of shortage and scarcity." Contrarily, socialist planned economy must meaningfully accomplish the feat of having a production surplus, and in compiling and executing the plan there must be a margin leftover. As Marx said, "This type of production surplus is equivalent to society acquiring control over the various kinds of material resources needed for reproduction itself."<sup>1</sup> Only by so doing will it be possible to avoid imbalance in the gross volumes and ensure the economy's normal operation.

3. Microeconomically we must continue to deepen the reform of the enterprise structure and endeavor hard to accomplish the demands of the decision of the CPC Central Committee on reform of the economic structure: "It is necessary to make the enterprises become relatively independent economic entities, become socialist commodity producers and operators who can operate autonomously and are solely responsible for their own profits and losses, possess the capacity for self-transformation and self-development, and also become legal persons with definite power and responsibilities." Only by so doing can the enterprises react sensitively to market regulation and can the various measures of macroeconomic control yield the anticipated effects. Hence, the crucial point in economic reform should lie in continuing the reform of the enterprises and principally in firmly insisting on improving and developing the enterprise contracted operational responsibility system.

4. Gradually enforcing separation of government from enterprise functions, breaking local blockades and setting up a national unified market. Integration of planned economy and regulation by market mechanism should and can bring about the better integration of the various kinds of essential elements of production as well as the better allocation and arrangement of the productive forces. But under the structure of the central authorities and localities managing the enterprises and financial contracting, blind and redundant construction of a low level have been prevalent, while in the localities industrial structure has slanted toward the crude and loose type, causing extravagance and waste of limited resources. Therefore, for the sake of more effectively displaying the role of planned economy and market regulation, it is necessary to consider the thorough separation of government from enterprise functions, strengthen the state-owned assets control department's unified management and control of state-owned enterprises and assets, and gradually enforce the system of the separate flow of tax and profit and of division of taxes, thus to protect the necessary financial receipts of the central government and the local authorities.

5. We must lose no opportunity in enforcing price reform. Under the past structure of a high degree of centralization, the price system was highly irrational and the more closely production departments and basic facilities were related to the national economy and the livelihood of the populace, the greater was the tendency of the prices being on the low side. The necessary readjustment must be made in a planned and systematic manner. If conditions permit, the prices of certain products may be decontrolled so that the role of market regulation may be more fully displayed.

### **Strengthening the Role of Planning in the Balancing of Finance, Credits and Loans, and Funds and Material Resources**

*By Ren Junyin [0117 1498 0995], assistant director, Overall Planning Department of the head office of the People's Bank of China*

Integration of planned economy and regulation by market mechanism is the target and pattern for the reform of our country's economic structure. Viewed from the angle of currency and finance, an important ingredient of planning in macroeconomic equilibrium is the problem of balancing of finance, credit and loans, and funds and material resources.

After a year and a half of improvement and rectification, the issuance of banknotes has fallen drastically, and in the first quarter of this year the index of retail sales prices dropped by 3.9 percent. Improvement and rectification have thus achieved obvious results. However, during the period of improvement and rectification, an extremely urgent problem in the macroeconomic realm was still the need of more planning tactics, appropriately strengthening certain amounts of centralization, and speedily solving the question of the imbalance between



finance, credit and loans, and funds and material resources. From 1978 to 1989, the various kinds of bank loans increased by 630 percent in amount, while the various principal targets of the national economy increased by only a little over 100 percent. Accompanying the rise in commodity prices and the slowdown in the rate of flow in the supply of money, there actually appeared the phenomenon of an excessively large credit volume. Detaching credit volume from the movement of material resources and its unitary inflation would bring about at least three problems. First, balance in finance relies on credits and loans. In these 10 years, the bank overdrafts and loans accumulated by finance, state treasury notes purchased by the banks, and appropriations not made by finance to enterprises incurring losses amounted to a quite sizable sum. Use of credit and loan funds to compensate for financial deficits calls for supereconomic issuance of banknotes and this is not backed by material resources. Second, production and operations of enterprises depend on credit and loans. Having a large amount of loans outstanding is currently a prevalent problem in the operation of enterprises. In enterprises, the ratio of self-owned funds out of the total amount of circulating funds dropped from over 40 percent 10 years ago to below 20 percent now. In the budget, 80 percent of the circulating funds of industrial enterprises are dependent on loans, of these, the proportion of loans in commercial enterprises is nearly 90 percent, and that of enterprises engaged in foreign trade is 98 percent. The increased degree of enterprise dependence on banks is not a good thing. It weakens the enterprises' ability to bear the weight of emergencies and necessarily leads to the expansion of false financial assets. Third, with finance and enterprises depending on banks, on what do the banks rely? Aside from yearly issuing several billion yuan of notes, reliance is placed on deposits. The problem is, the credit and loan funds drawn out through the two channels of finance and enterprises, aside from being used for consumption, withdrawn from circulation, remain in the form of cash, but in the end all become various kinds of deposits and thus turn into sources of bank funds. While it is difficult to determine the exact volume of this portion of funds, it is unquestionable that a considerable portion of the credit and loan funds "cycles in a vacuum" and is separated from the movement of materials and the production process. This is the basic cause of the imbalance between finance, credit and loans, and funds and material resources.

The effects of funds lie in their movement of going round and round in the production process. Currently, a deep-lying problem in economic life is that finance and enterprises depend nearly entirely for support on credit and loans, but a considerable portion of the credit and loan funds are shifted outward through these two channels without producing any economic effects. The purchasing power they form, particularly as various kinds of deposits, also gives support to the balancing of credit and loans to a certain extent. Receipts and outlay in credit and loans are different from receipts and expenditures in

finance. They do not publicly show any red figures, and only in their expansion can problems be more easily detected, while the increase in false deposits frequently gives people a false impression and serves to cover up hidden problems in the economy, even to the extent that the sources of false or unreal funds serve as the basis for the expansion of credit and loans. These special features of the movement of credit and loan funds and the balancing of receipts and outlay of credits and loans cannot be easily understood. This secret is due to the central bank's ability to create credit, the ability of loans to create deposits, and the ability of receipts and outlay in credits and loans to be separated from the restrictions of material resources and scale of production to realize the balancing on paper of receipts and outlay. At present, the false balance in receipts and outlay of credit and loans has covered up the imbalances in finance, credit and loans, and funds and material resources. As long as deposits are stable, problems in the economy will not make their appearance at once, but the hidden danger of currency inflation will grow every day.

The appearance of these problems in the balancing of credits and loans is due principally to the use of credit and loan funds on expenditures of a financial nature. Moreover, an imbalance in finance, and credit and loans leads directly to an imbalance in funds and material resources. Ours is a planned commodity economy and planning is the fundamental measure in macroeconomic balance. In particular, during the improvement and rectification period, strengthening the role of planning in macroeconomic balance and realizing as soon as possible the basic balance in finance, credit and loans, and in funds and material resources, constitute the key link to enable the national economy to pass smoothly through the improvement and rectification period and to step onto the road of sustained, stable, and coordinated development.

#### **Country Fair Trade—An Important Part of Market Regulation**

*By Liu Minxue (0491 2404 1331), director, State Industrial and Commercial Administration and Control Bureau*

The degree, concrete form, and size of the proportion in the integration of plan and market are different for different products and different localities, and should be readjusted according to the actual conditions in different periods. They are determined by planning for certain commodities, for certain other commodities they are autonomously determined by the producers and operators in accordance with the supply and demand conditions of the market; and in other products a portion is incorporated into the state plan and a portion enforces regulation by market mechanism. Since the reform and opening up, we have acted according to this principle in actual work. However, the change from a highly centralized planned economy to a mechanism of the integration of plan and market is a deep-going and enormous one, meeting with many new conditions and problems.



Because our experiences are insufficient, in actual practice certain things have been done fairly well, others have not been done so well, and there have been both experiences and bitter lessons.

Over the past 10 years, in the development and management of country fair trade, there have been certain experiences worthy of our study and absorption. Country fair trade belongs to the realm of regulation by market mechanism. Under the past highly centralized planning structure, this market was in a depression and the role played by it was very small. It was only a form of exchange among the peasants, and the adjustment of each other's haves and have-nots. The volume of transactions in trade occupied a ratio of only five percent or thereabouts in the gross volume of retail sales throughout society. In the past 10 years, for the sake of suiting the development of commodity economy and meeting the people's livelihood needs, we have paid close attention to developing trade. The number of country fair trade markets in cities and the countryside has increased from over 30,000 to over 70,000. Service facilities have been continuously improved. The volume of transactions in trade increased from 12 billion yuan in 1978, to nearly 200 billion yuan in 1989, amounting to more than 20 percent of society's gross volume of retail sales of commodities. In the past, of the vegetables and agricultural sideline products needed daily by urban residents, nearly all depended on supply from state-run commerce. Now, the great portion of supplies comes from the country fair trade markets. The trade has become an important channel in commodity circulation between urban and rural areas, and between localities. Its development has enlivened circulation, pushed production, satisfied needs, and saved the state price subsidies on vegetables and agricultural sideline products supplied to urban residents. At the same time, because the management of country fair trade markets has been continuously strengthened and gradually standardized, generally speaking, order in the fair trade markets has been well maintained.

A large number of facts reflected in the course of improvement and rectification illustrates that the confusion in the circulation order in the preceding period was not principally due to confusion in the country fair trade markets, but to confusion in the circulation realm of means of production. Seen from prices, in 1989, the scale of increase in the price level of country fair trade markets in the whole country went down by 20 percent in comparison with the preceding year, and went even further than the scale of decline in state-run commerce. Development of the trade makes good the insufficiency in state-run commerce, displays the active role of regulation by market mechanism, and produces no disadvantageous effects on the state plan or market order. It should be said that from this source many experiences should be summed up. Contrarily, relatively more problems have emerged in the area of the circulation of the means of production. There are many reasons for this,

such as prominence of supply and demand contradictions, existence of the double-track price system, non-separation of government from enterprise functions in certain operational units, imperfect development of markets, weak and poor supervision and management work, and so on. Naturally, between the means of production markets and the country fair trade markets, the commodities going to market are different, the participating objects are different, the transaction forms are different, the functions displayed are also different, their conditions are more complex, while they also differ in the degree of difficulty in their management and control work. Nevertheless, these two markets have many common points. Making a comparative study of the two carries certain significance in theory and in practice.

Since the reform and opening up, the scope of planned control has shrunk continuously, while the scope of market regulation has rapidly expanded. Facing this new situation, further use of the former type of management method is obviously not suitable. Concurrently with actively fostering and developing the socialist market system, we should study and look for a new management method. First, legislation is needed. Since the market management rules are unhealthy and imperfect, market rules and regulations are incomplete, and market conduct is not standardized, we must strengthen legislation and make market regulation come under the restriction of rules and regulations. Second, we must strengthen the supervisory and management system suited to the needs of a commodity economy and display the functions of the various kinds of economic levers. Third, we must break local blockades and demarcation of spheres of influence by departments, and establish an effective macroeconomic adjustment and control system. Fourth, we must gradually establish an organization to control industry and trade. At present, we do not have real industry and trade control, except departmental control, and we should gradually set up an industry and trade organization, assist the government organs, and perform self-management and control well.

#### Footnote

1. *Das Kapital*, Volume 3, People's Publishing House, 1975 edition, p. 527.

#### Management Experiences of 45 Grade-1 State Enterprises and Inspirations Drawn From Them

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[Article by Zhang Yanning (1728 1750 1337)]

[Text] In January of this year, the State Council's Commission for the Management and Guidance of Enterprises assessed and named 45 grade-1 enterprises. This is the highest honor in China awarded to enterprises, indicating the present level of standards in China achieved by its top-notch industrial and commercial enterprises. It can be said that they are the pacesetters of

China's industrial development. The experiences of these enterprises in achieving top-notch standards have indicated that so long as we strengthen administration in a down-to-earth manner, promote technological advancement, constantly perfect the business mechanism of enterprises, and develop in the direction of climbing up, it is absolutely possible that China's industrial production will reach a new high plane.

These 45 enterprises began their work of climbing after the State Council promulgated in 1986 the "Decision on Several Questions Regarding the Work of Strengthening the Administration of Industrial Enterprises." After they were named the state's grade-2 enterprises in 1988, they aimed at the grade-1 level. By relying on their workers, they moved ahead, adopted measures, tapped their potential, and eventually met the state's requirements for two successive years for being ranked as the state's grade-1 enterprises. Their achievements were reflected mainly by the fact that both the quality and quantity of products reached a new level. Some products have become import substitutes, and are exported to and are competitive in the international market. Both quality and quantity of their major products, totaling 352 categories, reached the international standards of the late 1970's, and the advanced level of the early 1980's. Among them, one-third (or 110 categories) reached the contemporary international advanced level. For example, the specifications of cold-air compressors series 110, 125, and 170 made by Dalian Refrigerator Factory reached today's world standards—Sahroe Company of Denmark—in terms of oil consumption, noise level, the extent of cleanness, and so forth. The specifications, parameters, performance, technical structure, and economic level of S195 diesel engine made by Chengzhou Diesel Engines Factory were equivalent to similar products made by Kubota Limited and Yanmar (Diesel Engine Company) of Japan. Generating \$10.2 million in 1989 through exports, the factory became China's top agricultural machinery enterprise in terms of foreign exchange generation. Bearing steel made by Shanghai No. 5 steel mill was compared favorably with those famous brands of Sweden, and the United States in terms of quality. The efficacy of products such as piperidic acid and brufen manufactured by Shandong Xinhua Pharmaceuticals Factory was the same of those made by Abbott Corporation of the United States, and Boots (Company Limited) of Britain. Being exported to more than 40 countries and regions, the pharmaceuticals factory generated more than \$10 million per year for the state. These 45 enterprises were ranked at top of their respective industries in China in terms of level of material consumption. For examples, the average amount of energy consumption based on the net output value of a grade-1 state enterprise of the machine-building industry was 3.63 tons of standard coal, or 14.6 percent lower than the same average amount among enterprises of the trade, which was 4.25 tons of standard coal. Its rate of rolled steel utilization was 15 percent higher. This showed an increase of 0.37 percent when compared to the figures in 1985, the year before it decided to climb

up. In 1988, the amount of energy constantly consumed by Anshan Iron and Steel Company, Capital Iron and Steel Company was 899.5 kilograms (kg) of standard coal, or 20.4 kg or 2.2 percent lower than the amount of energy consumed by them in 1985. This was 100.5 kg, or 10 percent, lower than the average amount of energy consumed in that year by China's major iron and steel enterprises. The economic results of these 45 enterprises were also much better than the state's industrial enterprises. Their capital-taxation ratio was 67.24 percent on average. The average amount of profits and taxes delivered by each person was 21,289 yuan. The labor productivity of the whole staff was 78,483 yuan. These figures were respectively 3.28, 6.8, and 4.9 times the average amount of the state's budgetary industrial enterprises.

Not all of these 45 enterprises were equipped with advanced technology or equipment, or were new industrial enterprises enjoying favorable conditions. Most of them were old ones established in the 1950's and 1960's. Also, many of them undertook projects under the mandatory state plan. Recently there were factors sapping their profits as a result of setting a ceiling price for products, and because of inflation in raw materials and energy resources, as well as shortages of funds. However, these enterprises regarded such difficulties as opportunities, and made progress despite difficulties. By relying on the whole worker force, they aimed at catching up with and surpassing the internationally advanced level. They took the work of strengthening the technological advancement, strengthening their business management, and tapping their internal potential as the key points of production development. They improved remarkably their quality as well as fundamentally changed their production situation by starting their work from the management level, and that the management started the work from the grassroots, and that the grassroots started the work from their work teams. Their underlying experiences were

**First, they aimed at the international market, and adopted the strategy of running business groups.** In essence, market competition is the competition of products. An enterprise must devote much effort to expanding the variety of products, improving product quality, and boosting its economic strength in order to join the international market. Taking their most popular products in the world market, they strived to catch up with and surpass the world standards, and took the international and domestic markets as the guideline for development. They worked out their strategy for business development and tried all means to readjust the composition of products and to develop more high-class products. They improved their competitiveness with the advantages of their product quality, strengthened their adaptability with a large variety of products, and expanded their market share with better after-sales services. At the same time, they actively developed enterprise groups to rationalize the allocation of factors of production. This thus formed a rational scale of production and improved their competitiveness.

Second, they constantly readjusted the composition of products by taking scientific and technological advancement as guidance. Whether or not a product enjoys favorable conditions on the market depends on advanced technology, so that an enterprise must have ample technological forces and technology reserves for its long-term development. Enterprises such as Anshan Iron and Steel, and Dalian No. 7 oil refinery imported from abroad advanced technology and equipment in their work of improving product quality and cutting production costs. They earnestly undertook the work of assimilation, absorption, transformation, and improvement in order to further enhance their standards. They actively carried out cooperation with production and scientific research institutes, spent much effort on adopting new techniques, and new technology, so that such achievements were promptly turned into productive forces. By pooling their limited resources in terms of capital and manpower, they strengthened their capability of technology development, sped up the pace of upgrading themselves, and maintained their technology reserves at a certain level.

Third, they took product quality as the basis for survival and development. The key to opening the market for a product is product quality. The international market always attaches great value to the quality and class of a product, and stresses name brands and reputation. We can establish a solid image on the international market concerning China's commodities provided that we have met these requirements. Such a tendency has also gradually become popular in the domestic market. A common feature of the 45 grade-I state enterprises was that they earnestly took product quality as their life. They set strict requirements and always adhered to them. They strengthened ideological education on the importance of quality among their workers. Therefore, there developed a tendency in which every worker stressed quality. They generally worked out a set of internal standards that were higher than those set by the state and that were generally equal to international standards. As they conducted production according to such organization, they improved their product quality to a rather high level. They established and perfected a system that emphasized quality in every aspect, and an economic responsibility system that stressed product quality and performance, and they fully exercised their discretionary power in judging product quality. Therefore, workers at every production and management post took part in the production work according to their respective enterprises. In addition, they improved the after-sales service by insisting on the implementation of full-scale quality management for all workers, and stressed the mission success rate of newly developed products, the rate of qualified products, and the rate of product stability.

Fourth, they saved energy, and reduced consumption as the key points for tapping the internal potential of enterprises. China's industrial enterprises have generally been plagued by a high level of material consumption and

wastage, so that production costs are high and economic results are low. In China's budgetary industrial enterprises, the ratio of material consumption to production cost is 73.3 percent. Therefore, when we save energy and reduce consumption it will be easy for us to improve the economic results of enterprises. In their work of catching up with and surpassing their advanced counterparts, these 45 enterprises took the former's material consumption level as their goal. They adopted new technology and new materials, and improved the production processes and structure of products, to cut the consumption of raw materials. They technically transformed equipment that consumed a high level of energy and carried out a strict control of materials. Therefore, the flow of materials became smooth, and it consumed less money. They carried out effective control over the consumption of materials by working out consumption rates at an advanced level, and perfecting the means of measurement, testing, and examination. In order to cut consumption and cost, and to improve their economic results, they launched public campaigns on boosting output, and reducing consumption, on making technological innovations, and on making suggestions on rationalization.

Fifth, they optimized on-the-spot management so that the flow of manpower, materials, and information moved at a high speed. On-the-spot management is the standpoint of management by enterprises in various kinds of work. It directly reflects the management level and the status of spiritual civilization attained by a particular enterprise. It directly affects the product quality, material consumption, as well as the economic results. Enterprises such as Harbin Boiler Factory and Shandong Xinhua Pharmaceuticals Factory started their work by implementing on-the-spot comprehensive management. By working on the spot, they worked out strict management rules with specific quantity and quality level, formulated a rigid set of discipline regarding production techniques, strengthened the quality control, as well as quality examination of production processes, ensured that their equipment was running well, and rationalized the allocation of manpower. Consequently, the factors of production were rationally deployed and the on-the-spot management was gradually made more scientific, systematic, and standardized. Through the work, they perfected the basic management work and improved remarkably their skills of professional management.

Sixth, they extensively utilized modern management methods and means to give play to the integral functions of management. Modernization of enterprise management matches and jointly develops with modernization of production technology. Without advanced management skills, one cannot make advanced products by using advanced technology and equipment. In promoting their modernization of management, these 45 enterprises proceeded from the realities, extensively utilized the methods and means of modern management, and practiced system management by focusing on their economic results and the strategy of enterprise development, and by basing on their effective management



experiences. They carried out effective control throughout the input-output process, while focusing on cost management, quality management, and sale management. Therefore, they optimized the combination of various factors of production, developed their management style with local characteristics, and improved the integral functions of enterprise management. Taking the application of computers as an important means for improving management functions and efficiency, they used them extensively to assist in management work. Some of them were used for technological development and engineering design. Today, Capital Iron and Steel Mill has set up a three-tier computer administrative network with its 7,000-odd computers, thereby speeding up the flow of information, promoting the automation of production, and enhancing the modernization of management.

Seventh, they sincerely relied on the workers to run well the socialist modernized enterprises. In socialist enterprises, workers are both producers and participants of their management, or the master of the enterprises. To sincerely rely on the working class and to improve the capability of workers in enterprise management are the basic assurance for running enterprises well. These 45 enterprises insisted on "taking manpower as the basic factor," and attached great importance throughout their work on training workers, improving the quality of workers, and giving full play to their enthusiasm as well as their innovative spirit. They held that the key to the rise or fall of an enterprise rested with the human factor. In order to build a top-notch enterprise, one must train a team of first-class workers. Therefore, they established a set of systems regarding the ideological education, assessment, and training of workers, as well as those regarding a democratic criticism of cadres. While implementing the responsibility system for factory managers, they actively gave full play to the role of their local party organizations, which strengthened the ideological and education work, as well as democratic management. It also gave full play to the role of workers by seriously carrying out the campaign of making suggestions on rationalization. In the construction of the two civilizations, they developed their enterprising spirit, as well as factory work style and spirit, marked with the characteristics of the times. This thus crystallized the strength of enterprises, guaranteed the fulfillment of production tasks and the realization of their development goals.

We should realize that, although we have 45 grade-1 state enterprises, some 3,000 grade-2 state enterprises, and more than 10,000 advanced enterprises at the provincial level, China's enterprise management is, generally speaking, still rather backward. There is still a wide gap between China's management level and the advanced level of foreign enterprises. The main aspects are that our products are not ranked as high-class ones, our product quality is unstable, our rate of qualified products is low, our consumption rate of raw materials is high, the rate of energy utilization is low, and the production wastage is high. Such a gap means potential. To strengthen enterprise management and to tap internal potential are the most

direct and effective way for putting an end to the backward situation, and for improving the economic results of enterprises.

At present, we have made initial success in the work of rectifying and consolidating the national economy. However, many new problems have developed. Generally, the enterprises are facing a sluggish market, overstocked products, shortage of capital, and so on. This is also a severe test on the adaptability of enterprises. We must correctly understand the situation, have confidence in the work, earnestly strengthen enterprise management, fully tap internal potential, and enhance economic results by improving management. Based on the experiences of these 45 grade-1 state enterprises, we must strengthen our enterprise management work in seven aspects: First, the enterprises should expand the decisionmaking power with respect to business operation, and should do well in working out their business strategy. They should focus on speeding up their technological advancement, readjust the composition of products, and actively develop the international and domestic markets. Second, they should promptly carry out this special type of management. They should focus on full-scale quality control so as to improve product quality; on strengthening their material management in order to save energy and to strengthen control over goods and materials; and on strengthening funds management so as to speed up the circulation of funds. Third, they should strengthen the on-the-spot management. This is the focal point of this year's work of strengthening enterprise management. They should formulate a rigid set of discipline regarding production techniques and labor, and should overcome the phenomenon of confused management and relaxed discipline in quite a number of enterprises. Fourth, they should promote a modernization of enterprise management by focusing on technological advancement (including quality, consumption rate, efficiency, and safety). There should be different requirements for different grades of enterprises, and we should take a gradual approach and stress practical results. Fifth, they should intensively carry out the campaign of making suggestions on rationalization, take this as an important task for strengthening their management, and strive for remarkable achievements. Sixth, they should further do well in the work of upgrading themselves. We should sincerely implement the work of management, continuously perfect the criteria for upgrading themselves, work out strict rules for assessment and examination, and ensure the quality of upgraded enterprises. Seventh, they should strengthen ideological and education work. They should uphold and perfect the responsibility system for factory managers, give full play to the leadership of local party organizations in terms of politics and ideology, do well in the work of "two consultations, one reform, and three integrations," strengthen their democratic management among workers, and run the enterprises well by relying on the working class.

Enterprise management is a complicated system project, marked by a scientific and rational combination of factors of production, as well as properly settled production



relations. It is subject to the influence of the macroeconomic environment and the coherent conditions of enterprises. It is both a special and a comprehensive type of management. They must therefore coordinate and arrange them in an appropriate manner. They must not ignore any one of them. They must correctly handle well the relations of all aspects, be good at flexibly integrating enterprise reforms with enterprise management and their technological advancement. Enterprise reforms are the mechanism for perfecting the operations of enterprises, and for changing and enhancing the contents of enterprise management. As it requires better management skills, the results of reform will eventually become part of the new management skills. An intensive development of reforms is an inseparable part of the work of strengthening the enterprises management. It also mobilizes the initiative of the workers and gives full play to their wisdom and creativity. They must overcome the phenomenon of "substituting management with contracts." They must pay attention to various relations in an enterprise, so that various tasks will be carried out in a smooth manner.

It was put forward at the Fifth Plenary Session of the 13th CPC Central Committee that "in the economic work we must give top priority to the work of constantly improving the economic results." We should "devote much effort to improving the business management of enterprises, tapping their internal potential, improving their scientific and technological level, and developing in the direction of producing more and high-quality products, as well as better economic results, with fewer inputs." Therefore, the work of improving and strengthening enterprise management and improving the quality of enterprises in all aspects is not only an urgent and important task for the period of rectification and consolidation, but is also necessary for putting an end to China's poor-quality products, high rate of material consumption, and poor economic results. In addition, it is necessary for survival and development in market competition, for ensuring smooth progress in our economic structural reform, and for safeguarding a continuous, stable, and coordinated development of the national economy. The experiences of these 45 grade-I state enterprises in strengthening their management, upgrading themselves, and improving their enterprise quality have fully proved that under the conditions of socialist public ownership, it is certain that we can run socialism in a better way, provided that we uphold reform and opening up, earnestly strengthen internal management, mobilize the initiative of workers, and tap the internal potential of enterprises.

### **The Essence of Western 'Lenin Studies' Is the Negation of Leninism**

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[Article by Ye Weiping (0673 5898 1627) of the International Politics Department of the People's University of China]

[Text] Western "Lenin studies" is a field of study in Western social sciences which has been gradually formed

since World War II. Its essence is the negation of Leninism and the historical position of Lenin. However, because this has appeared in the guise of academic research, it has not been obvious as a blatant attack. Also, because it has quite a number of factions and is spread over quite a wide region, people's understanding of its essence has been hazy. This article intends to dissect it to show its class nature, main ingredients, and the aim of its research.

### **I**

Western scholars refer to their research on Lenin and Leninism as Western "Lenin studies." This is intended to differentiate it from and show its antagonism to the research on Lenin and Leninism carried out in socialist countries. The person who first formally proposed the establishment of "Lenin studies" was the famous neo-Thomist Joseph M. Pao-heng-si-j [7637 0077 2448 1015]. In 1962, in his article "Soviet Studies: Politics and Modern History," he wrote, "The history of communism can be divided into three periods: the Marxist period, the Leninist period, and the Soviet period. For studying these three periods, there should be three corresponding different but related sciences: Marx studies, Lenin studies and Soviet studies." This person was originally Polish and was a well-known anticommunist. He wrote reports and participated in discussions everywhere, and gave lectures on television wildly attacking Marxism and particularly Leninism, and strongly advocated the use of "Lenin studies" to restrict the spread of Leninism. Thus, major Western funds and even governments have been very generous with their money and given great financial assistance to Western "Lenin studies."

Although the term Western "Lenin studies" was formally put forward only in the 1960's, its ideological origins go back much further. Not only were there the ideas of the Second International opportunists like Kautsky, Bauer, and the Russian Mensheviks, there were also the ideas of the ultraleftist factions like those of Pannekoek, Korsch, and Trotsky, the views of people who had been expelled from the party and left the communist movement and of the anticommunist exiles from the Soviet Union and Eastern Europe. There have also been the attacks from the White Russians who fled abroad after the October Revolution and research by many Western bourgeois and petit bourgeois writers. On the basis of their attitudes toward Lenin and Leninism, we can divide these into a dominant faction, which adopted an attitude of essential negation, and nondominant factions, which have an attitude of partial negation.

In the dominant faction, there are the out-and-out bourgeois scholars. In times past, when they found that their efforts to overturn the Soviet regime through military means had come to nothing, the fugitive Russian White Guards switched to engaging in ideological struggle with

Leninism. After the beginning of the 1950's, following implementation of the strategy of "peaceful evolution" in socialist states by the Western imperialist states, a large number of bourgeois scholars supplemented the dominant faction contingent. The high tide of national liberation movements in Asia, Africa, and Latin America in the 1960's as well as the large-scale student movements and workers movements in advanced capitalist countries, also encouraged some people to switch to opposition to Leninism. Another part of the dominant faction was people who had sought refuge with the bourgeoisie after leaving the communist movement. Bertram D. Wolfe can be said to be the epitome of such people. He was one of the founders of the Communist Party of America in 1919. In 1929, he participated in a rightist group and was expelled from the party. Later he joined a Trotskyite group. In 1939 he declared that he was officially breaking with communism. In 1948 he published the book *Three Who Made a Revolution*, which has been lauded as "a famous book which first tore down the mask of the myth created by the Soviet Union and revealed the true features of Lenin, Trotsky, and Stalin."<sup>1</sup> His distorted research attracted the attention and put him in the good graces of the U.S. rightist think tank, the Hoover Institute of Stanford University, and he was appointed as a high-level researcher at this institute. After this, he began writing the sequel to *Three Who Made a Revolution*, but he died in 1977 before completing it. In 1984, his draft was put in order and published by the Hoover Institute. The verdict on Wolfe's research was that: "If there had been no Lenin, there would be less gloom and danger in today's world. This is because he was the architect of the world's first totalitarian state."<sup>2</sup> From this, it is not difficult to see the class nature of this dominant school of "Lenin studies" represented by Wolfe, and it is not difficult to see the role it played in the activities of the international bourgeoisie to denigrate Lenin and Leninism.

The nondominant factions in Western "Lenin studies" are composed of a number of petit bourgeois researchers who hold a partially negative view of Lenin and Leninism. These mainly comprise three types of persons. The first are those who hold to Trotsky's ideas. Among them there are some persons who are Trotskyites on the organizational level, but most of them are writers who have sympathy for Trotsky's ideas or have Trotskyite inclinations. They try to mix up Lenin's theory of revolutionary change with Trotsky's "permanent revolution." They hold that already by 1905 Lenin was moving toward Trotsky's "theory of permanent revolution." Or they hold that during World War I Lenin began to abandon his own ideas and drew closer to Trotsky's ideas. Or they say that the reason that, after the revolution of February 1917, Trotsky drew closer to the Bolshevik party was that Lenin, in his "April Theses," "accepted" Trotsky's "theory of permanent revolution." The second group are those who follow branches of Western "Luxemburg studies." They seize upon the debates which Luxemburg had with Lenin on questions

of organizational principles of the party and revolutionary strategy and they claim that some incorrect views which she abandoned after the tests of revolutionary practice were her mature and consistent views. Thus, they try their best to create an antithesis between her and Lenin and wrongfully use her illustrious name to criticize Lenin and Leninism. The third group is the "Lenin studies" school of "Western Marxism." "Western Marxism" is not the same as Western "Marx studies" and is not the same as Western "Lenin studies." But it does include parts of both these schools. Dual tasks are the major characteristic of these people. Their aim in studying Marxism is to criticize Leninism, while the result of studying Leninism is to create a so-called antithesis between it and Marxism. On the pretext that Lenin did not read Marx's early manuscripts, they assert that Lenin's Marxism came "only" from the four volumes of Mehring's *Marx, Engels and Lassalle* and from *Anti-Duhring*, and they demand that Marx's early world be used to examine and criticize Leninism anew. Thus, Western publishers have repeatedly reprinted Karl Korsch's *Marxism and Philosophy*, published in 1930, and Anton Pannekoek's *Lenin as Philosopher*, published in 1938, so as to create a philosophical antagonism between Leninism and Marxism. Although, over the last few decades, the ideas of some of the people in these factions have seen some change, and their distortion of Lenin's philosophical ideas has gone from one extreme to the other, they have never stopped their censure of Leninism. Of course, because of differences in their class nature, if we compare the research of the nondominant factions with that of the dominant faction, we can say that the nondominant factions in Western "Lenin studies" have, apart from making some correct appraisals of various issues concerning Lenin and Leninism, also raised doubts and criticisms about some fallacious theories put forward by the dominant faction. However, seen overall and in terms of its nature, the research of the nondominant factions is still an erroneous ideological trend. At the same time as we differentiate them from the dominant faction, we cannot remain indifferent to their various erroneous viewpoints.

## II

Leninism is a product of combining the universal truths of Marxism with the characteristics of the age of imperialism and the specific practice of the Russian revolution. It is the inheritance and development of Marxism. In order to negate Leninism, Western "Lenin studies" scholars distort and attack Lenin's ideas on philosophical concepts, party building theories, and the state theory of the dictatorship of the proletariat.

First, they use the method of manufacturing an antithesis between Lenin and Marx and distort Lenin's philosophical ideas, claiming them to be a mechanical theory of reflection. They believe that the idea of "man changing nature" that Marx put forward in *Economic and Philosophic Manuscripts of 1844* showed that Marx had never seen the natural world as independent, or as

something apart from man, but considered that dialectics existed only in social history and that the basic characteristics of this were the mutual roles of subject and object. Thus, they hold, he recognized no such thing as the dialectics of nature. However, Engels saw the material world as "a natural world which exists in itself" independent of man and held that it has its own forms and patterns of movement, and thus he put forward the idea of the dialectics of nature. They say that in *Materialism and Empirio-criticism*, Lenin drew on a large volume of Engels words, showing that what he inherited was the "mechanical materialism" of Engels' ideas, which were diametrically opposed to the ideas of Marx.

This is a deliberate distortion. It need not be said that Marx studied the natural world from the angle of "man changing nature," not from the angle of biology and anthropology. However, we cannot thus come to the conclusion that he saw the natural world only as the product of man's activities. Quite the contrary. The *Economic and Philosophic Manuscripts of 1844* expounded on the relationship and unity between man and the natural world on the precondition that man is a naturally existing thing which cannot exist divorced from the natural world. At the same time, although the question of whether the material or the ideological was primary had been basically resolved, the basic contents of Feuerbach's materialism were still reiterated. It was under this precondition that the idea of "man changing nature" did not prevent Marx from establishing the theoretical system of dialectical materialism. Thus, Marx and Engels' ideas are certainly not opposed, but are identical. In the same way, at the same time as Lenin was collecting forces to oppose the subjective idealism of the Machists and empiriocriticism and to safeguard the materialist viewpoint of general materialism, he stressed that Marxists must not vulgarize or simplify the primary truths of general materialism, and certainly must not, like the Buchner and Duhring factions, discard the precious achievement of the idealist system constituted by Hegel's dialectics. Thus, at the same time as he put forward the two basically opposed epistemological lines of "from the material to the perceptual and the ideological" and "from the ideological and perceptual to the material," he expounded on the major conclusions of dialectical materialist epistemology: The objective world exists independently of man's perception and consciousness; mankind, on the basis of practice, can fully understand the objective world; man's understanding is a dialectical process of continual deepening and development. It was on this basis that he deeply explained the dialectical nature of cognitive activities and analyzed the dialectical relationship between the relative and the absolute in the cognitive process. He also stressed the major shortcoming of Plekhanov's rejection of the Machists and empiriocriticism in that it stopped at general philosophical principles and did not make new summations of the new discoveries in the natural sciences which they had used and distorted. Lenin combined the newest achievements in the natural sciences

and, from different angles, proved the basic preconditions of dialectical materialist epistemology. He differentiated the material categories, which indicated objective reality, from specific material forms and revealed the diversity of these in terms of internal structure and the unlimited nature of them in terms of movement.

Western "Lenin studies" scholars, in order to prove that *Materialism and Empirio-criticism* makes the mistake of mechanical materialism, also point out that later, in *Philosophical Notebooks*, Lenin negated the basic ideas of this book. However, if we correctly read *Philosophical Notebooks*, it is not hard to discover that although the emphasis of the two studies is different their theoretical essence is the same. First, in the ideas expounded upon in *Philosophical Notebooks* it is certainly not said that the question of "whether the subject or the object holds absolutely prime position" had lost its significance. Rather, it stresses that rational knowledge comes from perceptual knowledge, and that the natural world is an objectively existing thing independent of man's will. Second, *Philosophical Notebooks* certainly does not abandon the idea that there is dialectics in the natural world. It repeatedly stresses that cognition is man's reflection of the natural world and that it conditionally approaches the grasping of the patterns of an eternally moving natural world. Further, in *Philosophical Notebooks*, the sentence "man's consciousness does not only reflect the objective world, it also creates the objective world" is not Lenin's own idea. Thus, Lenin did not write it on the right-hand lower side, indicating that it was a conclusion. Rather, he inserted it between two notes. This arrangement shows that these words were just a step in Lenin's transformation of Hegel's idealist dialectics. Lenin, in the final half column of this major note, wrote, "The world cannot satisfy man. Man has determined to change the world through his actions." This was the final conclusion of Lenin's transformation of the words of Hegel which he had cited. It can be seen that the subjective initiative of man in understanding and transforming the objective world, which is stressed in *Philosophical Notebooks*, is not arbitrarily created by the will, but is manifested as "epistemological practice." This is precisely the idea stressed in *Materialism and Empirio-criticism*. Finally, Western "Lenin studies" scholars make much of the following statement in *Philosophical Notebooks*: "Aphorism: It is impossible to completely understand Marx's *Das Kapital* and especially its first chapter without having thoroughly studied and understood the whole of Hegel's *Logic*. Consequently, half a century later, none of the Marxists understand Marx." The critics hold that this can be seen as a footnote to their ideas. Actually, these words mean that if one does not use a materialist viewpoint to study Hegel's dialectics, it is not possible to understand the research methods of *Das Kapital*. He was criticizing the various types of mechanical and vulgar materialism which were popular at that time. As Lenin did not negate the criticism of neo-Kantism and Machism by Plekhanov and other people, despite its shallowness, there is absolutely no basis for saying that Lenin denied and



abandoned the stand he held in *Materialism and Empirio-criticism* or that the latter book contained some sort of self-criticism.

Second, Western "Lenin studies" scholars distort Lenin's ideas on party building and hold that he subscribed to the theory of "replacement." They say that Lenin's idea that, with respect to the proletarian political party, the theories of the proletarian political party should be brought from outside and inculcated into the working class, involved the replacement of the historical mission of the working class by intellectuals or the party. They also say that Lenin's adherence to the organizational principle of "a centralized system" for the political party of the proletariat meant that the party's central committee would replace the party members and that Lenin would replace the party central committee. These claims are untenable. As for "the theory of inculcation," it was put forward that the establishment of a theoretical system of scientific socialism requires sufficient time, dependable economic guarantees, and a full understanding of philosophy, politics, economics, and other disciplines. Thus, only the advanced elements of the working class vanguard with quite high educational and political qualities were able to create such a system on the basis of summing up the experiences and lessons of the workers movement, and then afterwards inculcating the ideas into the working class movement. Opposing inculcation is, in fact, opposing arming the workers with Marxism. The claim that inculcation involves the party taking over the historical mission of the proletariat ignores the fact that in modern society every class must be under the leadership of its own political party if it is to gain the ruling position. The liberation of the bourgeoisie was like this and the liberation of the proletariat which has long suffered exploitation and oppression is even more like this. Thus, the aim of the argument put forward by the Western "Lenin studies" scholars is the safeguarding of bourgeois rule. The "centralized system" spoken of by Lenin at the second congress of the Russian Social Democratic Labor Party and in the book *One Step Forward, Two Steps Back* was describing the organizational system of the party. It was spoken of in the context of that time when Russia had absolutely no political freedom and the workers movement was in a state of great disunity. It was not an exposition on the entirety of Lenin's party-building ideas. In 1905, after the tsarist government had been forced by the revolutionary tide to allow the people a certain degree of political freedom, Lenin published his article "On the Reorganization of the Party," requiring that under the new historical conditions a system of elections be instituted throughout the party. In December of the same year, at the first congress of the Bolsheviks, Lenin presided over the passage of the "reorganization of the party" resolution. This resolution was the first in the history of the development of Marxism to clearly utilize the concept of "democratic centralism." The following year this concept was officially written into the party constitution. It can be seen that the Western "Lenin studies" have just grabbed hold

of one aspect and ignored the others, showing that they lack even an elementary scientific attitude in studying issues.

Further, the Western "Lenin studies" scholars seize upon the fact that, in five places in Lenin's works, he uses the term "one-party dictatorship," and attack the communist party's leadership of the dictatorship of the proletariat as "rule by the party." Indeed Lenin did use the term on five occasions, but it was in response to attacks on Soviet Russia by the Second International opportunists, and was intended to indicate that only the communist party could lead the proletarian autocracy. Lenin did not use the term in the sense of a regime relying on force, but rather in the figurative sense of dictatorship. Thus, when he stipulated the role of the communist party in the system of the dictatorship of the proletariat, it simply meant that the party would exercise leadership over the alliance of workers and peasants. It was for this reason that he did not include the term "one-party dictatorship" in the resolution on the role of the party by the second congress of the Communist International. It can be seen that "rule by the party" is a complete distortion.

The claims by the Western "Lenin studies" scholars on "rule by the party" completely ignore the historical fact that the Bolshevik party advocated that the bourgeoisie political parties, which occupied a minority position, under the precondition of safeguarding the basic interests of the proletariat and the poor peasants, be allowed to participate in the joint government and share political power. Furthermore, they completely ignore the historical fact that after the October Revolution the petit bourgeois political parties were exceedingly wavering. It is not hard to envisage that in the dangerous first few years after the October Revolution, with the imperialist forces organizing armed intervention by 14 countries and mobilizing the White Guards and rich peasants to engage in revolt throughout the country, and under the conditions whereby the petit bourgeois political parties were trying to change the jurisdiction of the political regime through armed rebellion and other measures, if the Bolsheviks did not resolutely establish a one-party government and did not resolutely take on the responsibility of leading the country by themselves, and instead had kindheartedly implemented a multiparty system, it would have been suicide for the party.

The main harm of these distortions is that they mix up the relationship between the nature and the forms of proletarian states. In terms of the nature of a state, Lenin always held that only the proletariat and its vanguard could guide mankind toward socialist and communist society. However, in terms of the forms of a state, Lenin always held that these were not fixed and that the different sociohistorical conditions of various countries would inevitably produce very diverse political forms which would be gradually developed and perfected.

### III

Western "Lenin studies" scholars not only distort Lenin's ideas, but also negate his outstanding life. They say that, before the October Revolution, Lenin engaged in splitting the party so as to seize supreme power in the party and that, after the October Revolution, through political trickery, he consolidated and expanded his own power. This is malicious slander, which is unconcerned with the facts.

The main bases of these claims are that Lenin established the editorial department of ISKRA [THE SPARK] in Munich, where he was staying in Germany, rather than in Geneva, Switzerland, where the Society for the Liberation of Workers was located, and he was thereby trying to seize power from Plekhanov; they see the debate over the party constitution at the second congress of the Russian Social Democratic Labor Party as a tussle for power and benefits between Lenin and Martov; Lenin's struggle against the Mensheviks is also seen as a splittist action and one which opposed the party's authority; they claim the sixth conference of representatives of the Russian Social Democratic Labor Party was a coup d'état meeting called by Lenin to seize complete power within the party; and they claim that Lenin's "splittist actions" harmed the antiwar activities of the Russian proletariat during World War I. All these claims are distortions of the principled struggle engaged in by Lenin.

In August 1900, when discussing the establishment of ISKRA, the main reason Lenin proposed establishing the editorial department in Munich was that he considered that the Society for the Liberation of Workers had long been divorced from the workers movement and revolutionary struggle within the country. If the members of that organization had been allowed to directly lead ISKRA, not only would it have been impossible to ensure that the paper was closely linked to what was going on within the country, but it would have resulted in a lack of fighting spirit and being unable to play a role in guiding struggle within the country. Plekhanov did not listen to Lenin's ideas and felt that Lenin was hatching a sinister plot. Besides, their relationship had almost reached a stage where personal contact had been cut off. At that time, although Lenin did write an article on this debate—"Why the 'Spark' Has Been Almost Extinguished"—he never published it during his lifetime, which showed his respect for Plekhanov. After Plekhanov understood Lenin's real motives, he agreed that the journal should be published in Germany.

When the second congress of the Russian Social Democratic Labor Party was discussing the first article of the party constitution, Lenin proposed the wording: "Anyone who affirms the party program, materially helps the party, and joins one of the party organizations can become a party member." Martov opposed this and demanded that it be changed to: "Anyone who affirms the party program and, under the supervision and leadership of the party organs, does positive work to realize

the party's tasks, can become a member of the party." It is clear that Martov did not agree that party members should have to join a party organization or that they should live within the party organization or be subject to the party's discipline or supervision. Such a party would have been a complex club with no fixed organizational form and, in fact, his proposal mixed up the distinction between party and nonparty and between party and class. Such a party certainly could not have become an advanced force and organized force of the proletariat. Thus, of course, it would have had no chance of overthrowing the tsarist system or completing the arduous struggle of socialist revolution. This was in fact a dispute of principle over the nature of the party which was to be established. Where was the grasping for power and benefit?

As for the split between Lenin and the Mensheviks, this was also a struggle of principle affecting the overall situation. From the summer of 1904 onward, the situation for revolution in Russia became increasingly ripe. In order to guarantee the unified actions of the party, Lenin and 22 Bolsheviks held a meeting in Geneva and, in accordance with the stipulations of the party's constitution, proposed that the various levels of party organization, through a third party congress, unify the party line and formulate the tasks of struggle. From September to December, the party organizations in the southern regions of Russia, in the Caucasus, and in the areas in the north separately convened meetings of representatives and established the majority-faction committee standing bureau. On 21 January 1905, the standing bureau issued a notice calling the third congress of the party. At that time, the Mensheviks, who were trying to wrest power and did not have complete control over the party organizations within the country, used many methods to obstruct the holding of the third congress. In that situation, Lenin wrote a letter to the secretary of the standing bureau, saying, "Absolutely do not trust the Mensheviks or their central committee," because "while we were so involved in the revolution here, we jointly called a mass meeting with the Mensheviks. However, on that occasion they shamefully cheated us. We urge all people who are unwilling to be cheated to split with them, unconditionally split with them."<sup>3</sup> The Bolsheviks splitting with the Mensheviks saved the party and advanced the revolution. What was wrong with that?

The Western "Lenin studies" scholars distort the sixth representative conference of the Russian Social Democratic Labor Party by representing it as a coup d'état. This is even more nonsensical. Although, at that time, the splits in the organization abroad had resulted in many factions, nearly all the party organizations within the country were Bolsheviks, and they sent representatives to participate in the meeting. Thus, the legitimacy of this meeting cannot easily be called into doubt. This is a point which even the Western "Lenin studies" scholars must accept: "Apart from the 'liquidationist' faction (of the journal VOZROZHDENIE), all factions of the Social Democratic Labor Party received invitations to the representatives conference."<sup>4</sup>

At the same time, this conference was one that safeguarded the party's principles and unity. It excluded the Mensheviks from the party, formally making the Bolsheviks an independent Marxist political party and ending its union with the Mensheviks. In this way, the various organizational levels of the Russian party shed the heavy millstone of opportunism and, in the subsequent imperialist great war, the party became the only major party in the Second International to maintain an internationalist stand.

In the same way, on the eve of World War I, Lenin opposed the demand by the executive bureau of the Second International that the Bolsheviks and Mensheviks "unite." It certainly was not the case that he ignored the crisis of war in his quest for power and interests. At that time, the line of struggle between the Bolsheviks and the Mensheviks had reached a stage where the differences between them could not be resolved, and an unprincipled merger could only mean the weakening of their own strength. The fact that the majority of the Menshevik elements moved toward social chauvinism after the outbreak of the great war proves that Lenin's methods not only did not weaken the proletarian antiwar movement in Russia, but actually prevented it from suffering the fate brought by the Menshevik's legitimate tactics. Lenin's tactic was that legitimate struggle and secret struggle should be combined. Under the war situation, this guaranteed that the Russian proletarian antiwar movement was not destroyed by the tsar's police. Meanwhile, the Menshevik "liquidationist" faction had no option but to seek shelter with the underground Bolshevik organizations that they had continually denounced as conspiratorial organizations.

#### IV

In understanding the nature of Western "Lenin studies" it is also necessary to further examine the aim of their research. Stanley Page has emotionally stated, "If the Bolsheviks had been crushed at the beginning, today Lenin would be spoken of only as a Marxist author. His books would be of value to students in the history department, but otherwise would collect dust in the library. It would certainly not be as it is today when people steal his books from the library to take home."<sup>5</sup> History is history and cannot be rewritten using suppositions. However, we can see from his supposition why the Western scholars spend so much time, effort, and money studying Lenin. A primary reason is that Lenin established the world's first socialist state and created the new age of socialism. If we look at the history of the socialist movement before Lenin, then we see that from More, Campanella, and Muntzer through the English and French utopian socialists of the 17th and 18th centuries, the three great utopian philosophers of the early 19th century and to the French and German utopian communists in the 1830's and 1840's, there were a large number of people with lofty thoughts who struggled till the end of their life to realize high ideals. However, they all finally failed in their quests. Marx and Engels summed up the experiences and lessons of those

in the past and created the materialist view of history and the theory of surplus value. They thus changed socialism from a utopia to a science but were unable to change scientific socialism from a theory into a reality. Lenin carried on their great undertaking, revealed the objective patterns of class struggle in the age of imperialism and of the proletarian revolution, created a new type of proletarian political party, victoriously led the October Revolution, and in Russia, for the first time, shattered the lines of capitalism. The roar of the guns in the October Revolution brought Marxism-Leninism to the East, igniting the prairie fire of national liberation movements. After World War II, the flag of socialism fluttered in the sky above many socialist countries, comprising one-third of the world's population and one-quarter of the world's land. Thus, Western "Lenin studies" scholars alarmingly noted that, "From ancient times until today, there has never been a person who has so formidably changed Russia and the world as Lenin did." "Using his fanatical will like a lever, he tried to prise the whole world onto the tracks he had set down. Such was the power of his prising that the world we live in today is still shaking!"<sup>6</sup> They hold that the illustrious position of Lenin in world history is bound inextricably together with his activities during his life. Thus, they feel that if they want to negate Lenin they first must rewrite his life.<sup>7</sup>

Next, the milestone significance of Leninism in the history of Marxism has meant that Western scholars have had to study it as a specialized discipline and, on this basis have vainly tried to destroy his influence. In the process by which Lenin led the Russian revolution and guided world revolution, not only did he firmly beat back the attacks and distortion of Marxism by the revisionists and the opportunists, but he courageously and resolutely shouldered the historical task of developing Marxism in the new age. Mao Zedong incisively summed up Lenin's major developments of Marxism as follows: "1) He developed Marxism in terms of world view, that is, in terms of materialism and dialectics. 2) He developed Marxism in the areas of revolutionary theory and revolutionary tactics and especially in the areas of class struggle, dictatorship of the proletariat, and the political party of the proletariat. Lenin also had a theory of social construction. Beginning with the October Revolution in 1917, there was construction during the revolution. He already had seven years of practice, something which Marx did not have." At the same time as Leninism was indebted to the major influence of Marxism, it also in turn had a great influence in enlightening the people of the time and those who came later, and in fostering a large number of communists. It thereby made Marxism-Leninism a guide to action for hundreds of millions of people. Thus, Robert Payne said, "Lenin was a person who had great potential for good or for evil, a person of very great abilities. Even after he died, his abilities continued to emanate from his grave."<sup>8</sup> Besancon was even more pessimistic. His work ends with the following passage: Lenin's corpse cannot, like Stalin's, be reburied. If it



could, many, many men, women, and children would still go into the tomb to reverse him. "Where do we begin in freeing them from Leninism, this ideology which already occupies their souls?"<sup>9</sup>

Last, the great influence which Lenin's works have in today's world is another important reason Western scholars are drawn to Lenin studies. According to UNESCO statistics in the 1970's, the author with the greatest volume of works published and translated during that time was Lenin. As of 1979, Lenin's works had been published over 3,000 times in various socialist countries, while in developed capitalist countries his works had been translated or published on 3,400 occasions as of 1970. A point that attracts particular attention is that the trend of translation and publication in developing countries is even more pronounced. In 1970 alone, Lenin's works were translated or published on 1,114 occasions. Marx said, "The degree to which a theory is realized in a country is determined by the degree to which the theory satisfies the needs of that country."<sup>10</sup> This point has deeply concerned many of the Western "Lenin studies" scholars. Payne warns: "A spectre haunts this world of ours—and that spectre is Lenin."<sup>11</sup> "For quite a long time to come, Lenin's ghost will continue to haunt our world. His unwavering ideas continue to draw hundreds of thousands of people to his grave."<sup>12</sup> Page warns the capitalist world, "The present historic stage in our world is shrouded in the so-called cold war phenomenon. Even under the best conditions, this situation will not end in the near term. In this protracted war, one of the most important things is that many intellectuals—the leaders of the people of the whole world—have not decided whether they are, in the end, pro-Leninism or anti-Leninism." He proposed, through the method of distorting Leninism, to "open the gates of free criticism of Lenin."<sup>13</sup>

It can be seen that the aim of Western "Lenin studies" research on Lenin and Leninism is to counteract the great influence of Leninism, to subvert socialism, and to save capitalism from extinction. Today, following a strengthening of the implementation by imperialism of "peaceful evolution" in socialist countries, the counter-current of distortion and negation of Lenin and Leninism has already exceeded the limits of the Western scholarship circles and has become a worldwide phenomenon. The origins of this lie in Western "Lenin studies." Thus, clearly understanding the essence of Western "Lenin studies" has major theoretical and practical significance for us in counteracting this international counter-current, in maintaining and developing Leninism, in holding fast to the road of the October Revolution, and in adhering to socialism.

#### Footnotes

1. Bertram D. Wolfe, *Lenin and the 20th Century*, Hoover Research Institute, Stanford University, 1984 edition, p. xii.

2. *Ibid.*, p. xxiii.

3. *Collected Works of Lenin*, Volume 34, pp. 294-95.

4. A. A-fu-tuo-er-han-nuo-fu, *Unofficial History of the CPSU*, Volume 1, Hunan People's Publishing House, 1982 edition, p. 148.

5. Stanley Page, *Lenin and World Revolution*, Peter Smith Press, U.S.A., 1968 edition, p. xvi.

6. Robert Payne, *The Life and Death of Lenin*, Simon and Schuster, N.Y., 1968 edition, p. 13.

7. *Ibid.*, p. 15.

8. *Ibid.*, p. 15.

9. Alain Besancon, *The Intellectual Origins of Leninism*, Oxford University Press, 1981 edition, p. 291.

10. *Selected Works of Marx and Engels*, Volume 1, p. 10.

11. Payne, *The Life and Death of Lenin*, p. 13.

12. *Ibid.*, p. 633.

13. Page, *Lenin and the World Revolution*, p. xvii.

#### Enlightenment Provided by Sand Controllers— Notes on Reading *Random Notes on the City of Sand*

HK0208031790 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 13, 1 Jul 90 pp 37-40

[Article by Jiang Xia (3068 7209), dated 28 May 1990]

[Text] *Random Notes on the City of Sand* by Comrade Chen Shuniao [7115 5293 3852] (Gansu People's Publishing House, May 1990, first edition) is a report on investigation and studies conducted by the author in the desert regions of Ningxia a few years back. It is a very special book.

This book centers on the Shapotou Desert Scientific Research Station. It tells us about how the intellectuals there defied hardships and difficulties in conducting scientific research and experiments aimed at the prevention and control of sand damage in order to protect construction of the Baotou-Lanzhou Railway; how, after 30 years of hard work, they finally succeeded in building China's first desert-control project—a sand-fixation shelterbelt of artificial vegetation—to protect the railroad from desert encroachment. These admirable sand controllers at Shapotou wrote their sand-control theses not only on paper but also on the endless expanse of sand dunes. Their spirit and hard work have given life to the deserts. Their thinking and feats have also provided the vast numbers of intellectuals, cadres, and young people with some useful enlightenment.

In writing a book on a topic such as this, it is by no means easy to keep to the subject of scientific work without boring the reader to tears. Perhaps the author has devoted a lot of time and energy on this book, perhaps he has great writing skill, but most important of

all, he is touched by these admirable sand controllers. That is why the book is brimming with enthusiasm and is so fascinating to read. In this book, the spectacular natural wonders, the dedication shown by the scientific workers in serving the people, as well as their thoughts, points of view, plain-living work style, and enterprising spirit are all blended together in perfect harmony. It is so rich in content it draws the reader deeply to it. The reader is moved, enlightened, and inspired. This book is divided into 14 chapters, and each chapter may stand on its own as an unadorned, lively, and meaningful essay. We may say that it is a investigation report with a high ideological and literary level, a report written by a party worker.

Let us cite a few examples as illustration.

The author combined characterization with scenery in depicting some of the scientists: "They walked to the top of the sandy hills. They were delighted to see the endless rows of hills which stretch into the horizon like a vast yellow blanket. The winding ridges of the sandy hills crisscross one another like patterns on a brocade. There is change in homogeneity and tenderness in what appears rugged. This is the unique beauty of great deserts, and one cannot but marvel at such wonders."

The author also tried to discuss ideology and depict revolutionary optimism through interesting episodes in the daily life of the sand controllers. "They were content with their lot in their small world. Although they did not have enough to eat, at night they would still raise their voices and sing to the rhythm of the pounding waves of the Huang He. Their favorite song was *Waves of Hung Hu*. The song would take them into a dreamland. They would see the wide expanse of the misty Hung Hu, draped in an endless rope of lotus leaves, and the little boats of revolutionary predecessors plowing through the waves and attacking the enemies under the cover of the lotus blossoms and leaves. Today, they roamed over the sea of sand and cast a net which blotted out the sky and the land to arrest that wild monster called wind. People of two generations are just as lofty in their sentiments."

Of course, the most attractive parts of the book are the thought-provoking ideas written by the author through the depiction of people and events. These ideas include at least the following: Patriotism is the fine tradition and driving force of Chinese intellectuals; dialectical materialism is the beacon that lights the way for scientific work; and the party's leadership is the guarantee for the prosperity of scientific work. This is a book of great substance and has a wealth of materials. The ideas cited above are by no means a summary of the whole; they are merely the main points I have chosen to comment on as an afterthought.

On patriotism, Comrade Jiang Zemin pointed out in his important speech entitled "Patriotism and the Mission of Chinese Intellectuals" that "today, patriotism finds its expression in devotion to building and safeguarding the cause of socialist modernization and in promoting the

cause of China's reunification." "Efforts to inherit and carry forward the spirit of patriotism must find expression in actual actions." This is indeed what happened. As far as the sand controllers are concerned, cherishing the motherland means serving the motherland. In other words, as long as the motherland needs them and calls on them to fulfill a cause, they will regard it as their unshirkable duty to answer that call. They will go all-out, defy hardships, and boldly shoulder the heaviest burdens. They are filled with the warm blood of patriotism. This was the mysterious force that prompted the admirable sand controllers to volunteer to go to the barren deserts and work there in obscurity for three decades until their hair turned grey. Some of them are long-serving party members who regard it their bounden duty to fulfill the tasks handed down by the party. This idea is consistent with patriotism. It has been proven by vivid facts that patriotism has profound internal links with serving the people, plain living, the enterprising spirit, and selfless devotion. It was the rallying force of this common thought that turned Shapotou into the mecca of Chinese sand controllers, who united to work in coordination and offered their youth and lifelong service. In my opinion, the truthful depiction of these links is what makes this book shine ideologically.

This collection of random notes also gives, through the portrayal of typical models, a brief account of the formation of the patriotic tradition of intellectuals over several generations. The generation of people born toward the end of the last century and the beginning of this century spent half their lifetime living in misery. They had their fill of the political darkness of the old society as well as the pain of seeing the country in peril, and their lofty aspirations were suppressed. It was not until after the founding of New China that they began to see the road to and hope for the prosperity of the motherland and the development of science. Their zeal was therefore particularly high when the motherland entrusted them to perform their tasks. Those born in the 1920's spent their adolescence in the War of Resistance Against Japanese Aggression and the War of Liberation. Their patriotic sentiments are also profound, because they have experienced the pain of national subjugation and have been tempered in desperate plight and untold hardships. Those who took up their posts in the mid-1950's and 1960's are intellectuals trained by New China. The first enlightenment they received in their education was on patriotism and serving the people. Intellectuals who came to Shapotou in the 1970's and early 1980's have, in the words of the author, "made their way to the sand dune by braving head-on winds." In other words, they have, snubbing the trendy mentality of seeking material benefits and going after fame and gains, taken up the arduous task of controlling sand with a patriotic heart and the determination to serve the country. In my opinion, the author has given us an in-depth analysis of the patriotic sentiments handed down from one generation of intellectuals to the next. He has enabled the reader to see more clearly the strength of patriotism and to see the need to pay attention to

enlightenment and the key of grasping the work without letup in conducting education on patriotism. Comrade Jiang Zemin said, when he addressed the May 4th Report Meeting this year, "The mental outlook of our advanced intellectuals shows the correct road for the healthy development of Chinese intellectuals. This road is the road of integrating with practice and with the workers and peasants under the guidance of Marxism-Leninism-Mao Zedong Thought." This is precisely the road taken by the admirable sand controllers.

Patriotism is an ideology, it is also a strong feeling that has struck deep roots in and seeps through the practice of man's life and work. The author of *Random Notes on the City of Sand* gives expression to patriotism through concrete episodes in many chapters. This is in line with reality. It also shows that in the persons of the sand controllers, patriotism is no longer something external. For instance, in his portrayal of how the sand controllers worked alongside the masses in using square mats made of wheat stalks to hold down the surface sand, and planting sand-fixation plants on these mats, the author wrote with passion: "China's northwest is a land of devastation. Her good sons and daughters have learned the technique of repairing soil by growing plants. By carefully grafting skin on the earth's surface, they have enabled the earth to grow a fresh layer of skin." In his portrayal of how the sand controllers defied hardship and fatigue in measuring dry and moist sand with a meticulous and scientific attitude in their effort to work out the respective weights of dry sand and moisture so as to determine the stable moisture content beneath the sand, the author assumed an affectionate tone and wrote: "This work was like 'taking the pulse and sampling the blood of the critically sick mother earth. He jumped every time the pointer of his scale swayed to either side. He sincerely hoped that this anemic land would have the hope of recovery.'" When the sand controllers discovered to their great delight that there was life-giving water beneath the sand, the author wrote: "They could feel the pulse of mother earth. It was still beating. The pulse was weak, but clear nonetheless. They were beside themselves with joy." These personified descriptions, so passionately written, can really touch the readers, strike a chord in their hearts, and arouse their patriotic sentiments.

Concerning the beacon light for scientific work—dialectical materialism and materialist dialectics. The book tells the story of an old scientist among the sand controllers. Based on his personal experience, this old scientist often stressed the need to have a correct guiding ideology and to learn materialist dialectics in conducting scientific research. This viewpoint was not only expressed through the perspective of the old scientist, but ran through the chapters on scientific research work. The first battle to control sand was an investigation and study of the law governing the activities of sandstorms (such as the speed of the sandstorm when it started, and the forms and characteristics of its movement). The author told us how he personally took part in the actual

surveying, accumulated the most basic data, and fought tenaciously against the fickle wind monster. The central idea embodied in this vivid description is the idea that scientific workers must base themselves on science in their work. In other words, they must act in accordance with materialism and dialectics, proceed from reality, seek truth from facts, and earnestly discover the law governing the development and changes of things. The author also highlighted the epistemology of dialectical materialism when he described the proposal and implementation of the plan of "artificial vegetation." The sand controllers first observed and examined the "natural vegetation" along the southern shores of the Huang He, studied the conditions and laws of its formation, and exercised flexibility and great care in selection and test before finally giving the "artificial vegetation" its go-ahead. In other words, the plan of artificial vegetation was not a castle in the air. Scientific confidence was built on the rock-solid foundation of available samples of natural vegetation. In describing the process of selecting sand-fixation plants (which include *zihao* [4759 5548], *yuhao* [3111 5548] *ningtiao* [2899 2242], and *huahang* [5363 2761]), the author also highlighted the soul of materialist dialectics—comparative analysis and concrete analysis—by analyzing the different types of sand dunes (such as shifting sand dunes, semipermanent sand dunes, and permanent sand dunes) and the evolution of sand-fixation plants (such as early vegetation and late vegetation), giving vivid expression to the guiding role of materialist dialectics in the work of scientific research. The author devoted a lot of space in discussing the theory of the supersession of vegetation, development genetics, and "the hardening of deserts" (the conversion of sand into soil). In these discussions, he discussed natural dialectics in a vivid and lively language that is easy to understand.

There are two other points in the book which have a lot to do with the embodiment of the guiding role of dialectical materialism. The first point is about the relationship between production and scientific research. Production prepares the performance arena for scientific research so scientific workers can perform miracles there. Scientific research, on the other hand, opens the way for production and turns a natural chasm into a thoroughfare. Production promotes the development of science, while science serves production. When the two are combined, great achievements will be produced. The second point is about the relations of study and exploration to originality. Scientific research is a process of exploration. It requires continuous study and exploration. It has to go through a repeated process of practice, knowledge, practice again, and knowledge again. It requires us to pay attention to summing up experience, revising the original design and plan, and paying attention to the integration of the experience of foreign countries with practice. Only in this way can we move from study to originality and pick the fruits of science. This was precisely what the sand controllers did. It was after going through repeated ups and downs and revising their original choice and deployment of sand-fixation



vegetation that they finally found a correct method that better conformed to reality. The author emphasized the fact that we Chinese must rely on ourselves in understanding Chinese deserts and in searching for ways to control sand in China, that there was no creativity other than this. At Shapotou, the sand controllers relied on their own creation to demonstrate their own unique style among the international community of desert scientists. This was how they built the bridge of friendship and made friends with people on various continents. These experience and ideas emphasized by the author are not only applicable to the science of desert control, but also have important significance as guiding principles for other sciences.

On the party's leadership. This collection of random notes was written from the perspective of many different angles. To begin with, the author gave us the historical background of Shapotou. He tried to show the leadership role of the party and government by outlining the differences between sand-control projects and the state of affairs in desert science before and after the founding of New China, the vigorous launching of mass sand-control activities after the land reform in the desert regions, as well as the powerful impetus given by planned and organized surveying and control of deserts to the development of desert science after the implementation of the national plan on scientific development. Second, he pointed out that the scientific work of desert control involved many disciplines and that it was not enough to rely on experts in one particular field alone. Desert control requires the cooperation of experts in the fields of geography, geology, soil, meteorology, botany, civil engineering, and the social sciences. It takes the strong leadership of the party to properly organize these forces, adjust the relationship between various quarters, make overall plans, conduct ideological and political work, and bring into play the enthusiasm of all personnel in order to overcome difficulties and achieve the grand objective. Third, he stressed that in the scientific work of desert control we must rely on the masses, have faith in the wisdom and creativity of the masses, unite with the masses, and go among the masses to sum up experience. As the experience of Shapotou shows, this is possible only under the party's leadership and by implementing the mass line of the party. Under given conditions (such as during the antirightist campaign), there are also instances where party committee secretaries, on the basis of their thorough understanding and after careful deliberation, resolved to protect patriotic and upright scientists. These actions taken by party committees to guarantee scientific work are in line with the principle of party spirit. They embody concern and care for cadres, and form an important aspect of the party's leadership work. The following experience, both positive and negative, serves to show that correct leadership by the party is an important guarantee for the smooth launching of scientific work. The party's leadership was cast aside during the decade of turmoil. At Shapotou, scientific work sustained tremendous losses because questions of natural science were treated as questions of political line,

the so-called "dry" approach to desert control was severely criticized, and the so-called "wet" approach to desert control was pushed. When Comrade Deng Xiaoping was in charge of work at the Central Committee, when the gang of four was smashed in 1976, at the time of the Science Conference in 1978, and when the spirit of the Third Plenary Session of the 11th CPC Central Committee was implemented in 1979, desert control work at Shapotou resumed and began to prosper along the road of scientific development. We may put it this way: With correct leadership from the party, scientific work can prosper; without it, scientific work will be doomed. The author of these random notes highlighted this fact in his writing. He wrote about how the workers at Shapotou hoped and prayed that "the sky would clear soon" during the 10 years of raging storms. This truthfully reflects the feelings of scientists as well as the prestige and position of the party's leadership in the hearts of the vast numbers of intellectuals.

*Random Notes on the City of Sand* has another special feature, that of a long time span, as it tells of events that took place over three decades. A good point about this is that it gives people a sense of history, enabling them to see that "scientific experimentation will yield fruitful results after unsuccessful attempts, and talents will gradually become mature through tempering." History, oh history. In the course of 30 years, people came and went. Some grew old and were replaced by new hands. Tempered in severe natural conditions and nurtured in the rigorous and scientific style of work, the cadres trained at Shapotou (the book carries accounts of the moving deeds of 10 or more of these cadres) have been assigned, like the sowing of seeds, to desert control points in other parts of the country, where they are now playing their part. The footprints they left behind are the footprints of the strivers.

History, oh history. It inspires us to see things from a historical perspective at all times, that we must never cut off the past, or the future for that matter. It tells us that we must be good at basing ourselves on reality while looking ahead, see the rosy clouds in the hours of darkness just before dawn, and see the mainstream of brightness while being temporarily caught in an adverse current. We must see that hardships can help temper our boldness, tenacity, wisdom, and resourcefulness, just as what had happened to the people at Shapotou, who saw difficulty as an attraction and were willing to go ahead so they could grow, mature, make leaps forward, and undergo sudden changes.

In his conclusion, the author Comrade Chen Shunqiao wrote passionately in praise of the sand-fixation plants: "Oh, huabang, ningqiao, youhao, and shaguaizao [3097 2145 2764], you are simple and unadorned, yet you have such depth and are so strong. You take so little, yet you give your all. You are unknown to the public, but you are happy with your lot. You have no wish to be planted in famous gardens and be admired by visitors, but take great pleasure at fighting the sandstorms in this remote corner of the country. You bravely play the part of the

vanguard and are willing to step down when your job is done. You bend your back to the task until your dying day and leave your remains to hold the sand together. You are good friends of the sand controllers in fighting the sand storms..." These words of praise for the sand-fixation plants are, in fact, an ode to the admirable sand controllers. They are worth reading carefully and are to be relished and thought over. It is hoped that workers on various fronts as well as the vast numbers of intellectuals would obtain their enlightenment and inspiration from this review, no, from the book *Random Notes on the City of Sand*, make an earnest effort to do their work well, and strive to win new and greater victories under the leadership of the party Central Committee. This is how history presses ahead.

### **Study Dialectics, and Uphold the 'Doctrine That Everything Has Two Aspects'**

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in Chinese No 13, 1 Jul 90 pp 41-43

[Article by Han Licheng (7281 4539 2052)]

[Text] Editor's Note: When we received the draft of this article, the author was secretary of the Baoding City CPC Committee. When the text was sent to the compositor, the author had been made a member of the Standing Committee of the Hebei Provincial CPC Committee and head of the Propaganda Department. [end editor's note]

In his work, a leader at the grassroots level often meets various sorts of contradictions and problems that require serious analysis and handling. For example, in carrying out analysis of the situation, it is first necessary to clearly ascertain which are the main aspects and which are the secondary aspects. In a good situation, it is necessary to ascertain which are the undesirable elements and, in a bad situation, it is necessary to determine which are the advantageous elements. Among the masses, it is necessary to know which are the major matters and which are the minor matters, what the relationship is between the major matters and the minor matters, and how to lead the way so that work sees overall development. In dealing with the cadre issue, it is necessary to clearly see the shortcomings of good cadres and the good aspects and strong points of the poor cadres, so as to enable the former to overcome their shortcomings and enable the latter to bring their strengths into play, so that they complement each other and form a combined force. The proper handling of these questions is inseparable from the guidance of materialist dialectics. If we are divorced from dialectics and sink into "the doctrine of only affirming one aspect," it will be impossible to master the situation, grasp the crux, and engage in correct policy-making.

Comrade Mao Zedong greatly stressed the use of materialist dialectics and, in a simple and vibrant way, summed up materialist dialectics as "the doctrine that everything has two aspects." Its basic ingredients are: In examining things and handling contradictions, one must

know that "one divides into two," one must always pay attention to the two aspects of a thing or contradiction which form the unity of opposites; one must pay attention to the differences between the major and nonmajor contradictions and between major and nonmajor aspects of contradictions; and one must pay attention to the fact that the two sides of a contradiction may, under certain conditions, change places. Practice has proven that only by using "the doctrine that everything has two aspects" in looking at things and understanding problems is it possible to gain an overall and correct understanding of things and contradictions, and is it possible to grasp the unity of the opposites in the thing or contradiction and from the unity grasp the opposites, so as to resolve the contradiction or promote the development of the thing.

The logic of "the doctrine that everything has two aspects" is not abstruse. However, to be able to master its essence and especially to be able to use it in guiding practice is no easy matter. In practice, we have been unable to persist in using "the doctrine that everything has two aspects" in guiding our work and in looking at things in an overall way, and this has produced mistakes in decisionmaking. Examples of this are quite common. In 1984, in many places throughout the country, the sprouts of economic "overheating" appeared. Some of our comrades here did not use "the doctrine that everything has two aspects" to soberly analyze the situation, but drifted with the current, thinking that tertiary industry requires little investment and produces swift results. Thus there was great development of commercial areas. The result was that some projects were continually delayed. Other projects were completed, but business was poor and it was difficult to sustain them. Now, when we examine the reasons, we can see that at that time we looked only at one aspect of economic development needs and did not look at the problems latent in economic life. As another example, in 1985 Baoding City saw a bumper harvest of cotton and a situation occurred whereby it was difficult to sell cotton. In response, we did not analyze the problem from the angle of "the doctrine that everything has two aspects" and instead took "the doctrine of affirming only one aspect" as our guidance and acted in a unified manner, reducing the area sown to cotton in the city by 40 percent. The result which emerged was that it became difficult to buy cotton. This was a major factor restraining the development of the city's textile industry.

The opposite of "the doctrine that everything has two aspects" is "the doctrine that affirms only one aspect." The root of "the doctrine which affirms only one aspect" lies in looking at questions in an isolated, static, and one-sided way, and not recognizing the constant movement and changes in things, not seeing the internal relationships within things, and not seeing the essence of things. This is a typical metaphysical way of thinking. Our party has always advocated materialism and opposed idealism, advocated dialectics and opposed metaphysics. However, in practical work, why is it that metaphysics manifests itself so obstinately? This is

mainly because many of our cadres have not really understood and mastered Marxist philosophy. Some comrades, although having studied Marxist philosophy and able to talk a bit about the basic principles, do not understand its true essence. Thus, when handling practical problems they cannot grasp the unity from the opposites in things and cannot grasp the opposites from the unity. They do not see that things and their development processes all have two contradictory aspects, do not see the relationship between this aspect and that aspect, do not see the absolute nature of the struggle between the two aspects, do not see the conditional nature of the identity of the two aspects and do not understand the changes and development of contradictions. Rather, they solidify things and make one aspect of the contradictions absolute. This warns us from the negative side that in studying Marxist scientific methodology, we cannot be satisfied with study from books. Rather, we must link theory with reality and consciously use Marxist philosophy in guiding our analysis of the situation and the formulation of policies.

In adhering to "the doctrine that everything has two aspects," we must seriously understand and comprehend reality. On this point, we have gained deep knowledge. In 1985, we experienced the following two situations. The contractor of a particular supply and marketing company sold off goods and materials within the plan for high prices and then divided up the enormous profits he had obtained from the goods. The city committee dealt very sternly with this case. Unexpectedly, this incident gave rise to a great debate in the city. Some people said, "If the reforms are carried out in this way, chaos will be inevitable," and felt that it was appropriate that he was punished. Some other people thought that this was "nipping off the sprouts of reform" and some newspapers and periodicals even insinuated that the party committee was "jealous." On another occasion, a particular factory exchanged at negotiated prices some state-plan steel, which was not of the type they needed, for some steel products of the types which they did need. Some people felt that this was violating the stipulations of state pricing management and that punishment was in order. Other people held that this was a rational adaptation to circumstances under the "dual-track pricing system" and that such actions should be allowed. Problems such as these which are both concrete and have a strong policy nature arose frequently. Before one was resolved another arose. At that time we felt that only if we could find the chief contradiction and resolve the problem of the ideological understanding and ideological methods of the cadres and the masses, would it be possible for them to free themselves from the trivialities, handle the whole situation, and gain the initiative for work. Thus we began to carry out wide-ranging and deep-going social surveys and theoretical research and discussions. For example, we carried out a survey of the ideological situation of cadres, a survey of the ideological situation of staff members and workers, a survey of the ideological situation of teachers, and a survey of the party style throughout the city. Through the surveys we

discovered that a major aspect of the various confused understandings was that the people had been unable to correctly understand in an overall way the relationship between reform and correcting the party style. Further, there was a quite regular distribution of different ideological understandings among different groups. Generally, the understanding of cadres involved in party work, political work, and examination and supervision work was quite unified, and they often criticized the economic departments, enterprise managers, and business cadres for "ignoring party style" and "blindly adapting to circumstances," for being "moneygrubbers" and for "seeking loopholes." Meanwhile, the economic management departments, the enterprise managers and other business cadres frequently criticized the political cadres for having "ossified brains," for "being good at 'leftist' things," for "being jealous" and for being "obstacles to reform." On the surface, these problems appeared to be a lack of uniformity in ideological understanding between cadres, but, when examined deeply, they were found to actually be related closely to the question of how the relationship between reform and correcting party style was understood. If we took this as our direction, we would be able to adhere firmly to the socialist orientation of reform and correctly distinguish the rights and wrongs of specific problems. Those things that needed to be handled could then be handled, while those aspects which needed to be safeguarded could be safeguarded. To this end we conducted theoretical research and discussion at all levels of the city on how best to handle the relationship between reform and correcting party style. Thereby, on a high theoretical level, we clarified the relationship of dialectical unity between the two and wrote a number of quite weighty papers and widely distributed them and made their contents known throughout the city. This was actually large-scale mass education in dialectics.

It goes without saying that surveys and research must take Marxism as their guide and must study how to use dialectics and "the doctrine that everything has two aspects." In order to improve our theoretical base, we seriously grasped the Marxist stand, viewpoints, and methods for observing problems and understanding problems, the city committee group organized a central study group, which seriously read several philosophical works, earnestly learned some things from our "ancestors," gained a quite deep understanding of the "doctrine that everything has two aspects," and used this to guide practice. A few of the most deep-going things we learned from our book study and practice were:

1. Grasping the innate relationships of things is a basic principle we must firmly hold fast to in gaining an overall understanding of things. Only by looking at things in an overall way and linking things up is it possible to overcome one-sidedness and, in practice, "grasp things with both hands." In recent years, not only in Baoding City, but throughout the country and not only in guiding ideology, but also in the practice of work, we have frequently seen the biased attitude which overlooks the innate relationships between things. This trend



has been manifested most prominently in a lack of overall understanding of "the doctrine that everything has two aspects." Specifically, the four cardinal principles have been separated from reform and opening up, and they have been set in an antagonistic position. In some people's view, if we adhere to the four cardinal principles, we cannot persist in reform and opening up. Conversely, they believe that if we persist with reform and opening up we cannot adhere to the four cardinal principles. According to them, the two cannot exist together and one needs to make way for the other. In fact, the four cardinal principles and reform and opening up are linked together. The four cardinal principles are certainly not empty, abstract, and ossified stipulations. It can be said that reform and opening up are innate requirements for adherence to the four cardinal principles, and that if one is to adhere to Marxism and persist in scientific socialism, it is necessary to adhere to reform and opening up. In the same way, if one is to persist in correct reform and opening up, it is necessary to adhere to the four cardinal principles. This is because when we talk about reform and opening up, we are referring to self-perfection of the socialist system. If we split reform and opening up from the four cardinal principles, we will be unable to completely and correctly understand and fully implement the party's basic line in the primary stage of socialism. This warns us that in understanding problems and handling problems, we must adhere to the viewpoint that recognizes the relationships between things, especially with respect to some major questions of right and wrong. Otherwise, not only will deviations occur in terms of understanding, but mistakes will occur on the practical level and this will bring losses to undertakings of the party and the people. In the last few years of work, Baoding City has not seen any major problems arising and some achievements have been realized. A major reason for this is that the city has, in understanding problems and handling problems, quite consciously adhered to the viewpoint which recognizes the relationships between things.

2. Preventing one trend from covering up another trend. This is a practical principle in grasping the overall situation and formulating policies. The development and movement of things is not in a straight upward line. People's knowledge, likewise, is being continuously added to, deepened, and improved as it moves closer to truth. Because of the limitations of subjective understanding and the unlimited nature of changes and development of objective things, the phenomenon of dislocation between the subjective and the objective often occurs. The problem of grasping one aspect while ignoring the other aspect is also seen frequently. Thus, we need to grasp the actual situation of the continual changes, seek the patterns of the development of things, and positively create conditions to prevent the occurrence of "trend-type" problems. In the last few years, we have been paying attention to this question and it is considered that quite marked results have been achieved. For example, in 1985, some units stressed that management and technology are the two "wheels" of

enterprise development, and the trend of ignoring the spiritual aspect appeared. In response to this trend, we summed up and propagated throughout the city the experiences of the Xiangyang Mechanical Engineering Works in "grasping the two cultures together." This spurred over 90 percent of enterprises to foster their own "enterprise culture." In the same year, the entire city developed the work of striking at economic crime, but the problem of false accusations occurred. We handled, in a timely way, the five cases where false accusations had been leveled against factory directors, and, as a result, "the reformers did not have to dismount." After this, some people, on the pretext of safeguarding the reformers, proposed that no anonymous letters be investigated. We thus did a statistical analysis of the actual problems reflected through anonymous letters over three years and we came to the conclusion that we could not go to extremes. We decided that we would continue to give due attention to problems reflected in anonymous letters and those situations which required investigation would be investigated. Some people have said that work in Baoding City over the last few years has been "stable" and that there have been no "major fluctuations." We feel that this is closely related to the fact that we have taken "preventing one trend from covering up another trend" as a guiding ideology in our work.

3. Creating positive conditions by which to effect alleviation of contradictions. If we say that the first two points are about the process of using "the doctrine that everything has two aspects" in understanding things, this point is mainly about implementing "the doctrine that everything has two aspects" in practice. It is a process of bringing into play subjective dynamism to transform the objective world and develop creative work. Let us again take the implementation of the principle of "grasping things with two hands" as an example. Through surveys and research, we put forward the ideology for guiding work of "saying two sentences well and singing an opera well." But how could this be put into practice? The crux in realizing this principle was to foster and temper a cadre contingent that could "grasp things with two hands." In order to effect a change in the quality of the cadre contingent, we adopted the following measures: The first was to ensure that the selected cadres had "two hands." Those who had been chosen as leading cadres in the economic departments had to have specialized knowledge and management abilities, and also a knowledge of party concepts and policies. They were not given posts just on the basis of qualifications. As to those leading cadres selected for party work, we had to look at their political qualifications and also look at whether or not they understood the economic reform policies. The second was to organize cadres both to teach each other and to study from one another. Cadre of party affairs departments and economic departments gave each other talks, so as to use each other's strong points to strengthen everyone's weak points. The third was mutual participation. In studying policies and measures for correcting party style, we invited the cadres from relevant departments to participate. When researching measures and

stipulations on economic policies, we invited comrades from the supervisory and examination departments to participate. Fourth, we arranged exchanges of cadres between party and government departments. This both improved the quality of cadres and also allowed the different cadres to make up what the others lacked. The implementation of these measures resulted in a great improvement in the capacity of our city's party and government organ cadres to "grasp things with both hands" and also promoted a firm ideological base for the smooth implementation of the various principles and policies.

Doing well in the work of alleviating the various contradictions is our aim in understanding things. At the same time, this is also dependent on the patterns of development of the objective things themselves. The two aspects in the unity of opposites of things include the trend of mutual transformation, and there exists a road by which we can move from here to there. However, this requires certain conditions. Conditions are objective, but we are not powerless in the face of conditions. Marxism stresses that dialectics must understand every complete thing from the angle of transience, and that everything must be understood in terms of its own movement. That is, we cannot see things as ossified, fixed things. Rather, we need to see things as being vital and changeable. When we do have beneficial conditions we must understand that the beneficial conditions will eventually dissipate and we need to study the new situations and create new beneficial conditions. When we have disadvantageous conditions, we must not be dispirited, but should create positive conditions to push the contradictions in a direction that will be beneficial to us. All of our tasks are, in the end, tasks of resolving contradictions. Only if we adhere to this concept will we be able to have full faith in the just cause.

If we say that over the last few years we have achieved some successes in our work, it must be said that no achievement can be divorced from the guidance of the ideology of dialectics. We have come to deeply understand that dialectics and "the doctrine that everything has two aspects" are as important to us as food and clothing. We cannot be without them for even a short time for, if we become separated from them, we will make mistakes.

#### **A Man Who Has the Future in Mind Can Eradicate Immediate Causes of Anxiety**

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[Article by Jiang Niantao (1203 1819 3447), from the office of QUNZHONG (THE MASSES) in Jiangsu]

[Text] "If a man does not have the future in mind, he will certainly have causes of anxiety at hand." This saying of Confucius, which embodies the idea that foresight and the immediate causes of anxiety are relative, has its dialectical wisdom. If we change it around a little,

shifting the emphasis from one end to the other, we may arrive at a negative formulation: A man who has the future in mind will be able to eradicate the immediate causes of anxiety and sorrow. Facts have proven that this negative formulation is just as correct. Today, with society developing at a much quicker pace and with more twists and turns taking place than ever before, it has become increasingly important to counter the hidden perils and immediate causes of anxiety with foresight. Thinkers and politicians notwithstanding, after being tempered in ever-changing market encounters, many entrepreneurs have acquired the wisdom of thinking and planning ahead to prevent and eradicate the immediate causes of anxiety.

The No. 3 Rubber Plant in Wuxi City, Jiangsu Province, used to specialize in the production of bicycle tires which were very much sought after in Shanghai, Jiangsu, and other places. Factory director Wu Yuanle [0702 0337 0519] discovered that its market share was threatened as more and more factories within and outside the province began producing bicycle tires of equally good quality. Many of his colleagues worried about this turn of events, but could not offer any better option other than a recommendation to strengthen their marketing force. Through market research, Wu Yuanle saw their future in the burgeoning motorcycle industry and began producing motorcycle tires. This proved a welcomed move. Sensing that China's auto industry was in for major development, he arranged technical forces to develop the production of tires for light vehicles. He set aside 1 million yuan from the factory's own pool of funds each year to set up a reserve workshop. In the course of time, a total of 4 million yuan was invested in this workshop, and light-duty tires of various specifications and models were produced. The products were definitely suited to future market needs, but they had difficulty producing in batch size. With limited funds and backward equipment, it is simply impossible to develop production on a large scale. How should this problem of "having an empty wallet" be tackled? Wu Yuanle again tried to think further ahead: Since large quantities of car tires will be needed in the world market, why not make use of foreign capital and import advanced technology, and use these to produce several hundred thousand sets of car tires each year? This way it might be possible to break into the international market. He spoke to the mayor, Wang Hongmin [3769 1347 3046], about this and was given the support he needed. A few months later, Mayor Wang Hongmin held a big foreign press conference in Beijing on behalf of the government of Wuxi City. During this press conference, the mayor announced to the international community that the No. 3 Rubber Plant of Wuxi was inviting international tenders for a car tire production line and would welcome business negotiations with foreign financiers and entrepreneurs. This message drew warm response from abroad. Businessmen from the FRG, Switzerland, Yugoslavia, and other countries came to China on invitation and discussed plans of cooperation with Wu Yuanle and others. Not long thereafter, foreign capital and advanced technologies and

equipment were imported, and a computer-controlled production line replaced manual operation in small workshops. The factory thus joined the ranks of provincial-level advanced enterprises, and its light-duty tires and other products found their way into the domestic and overseas markets.

I can cite numerous other instances to illustrate the fact that we can eradicate immediate causes of anxiety by thinking ahead. Countless facts have revealed to us that foresight has three functions in the immediate causes of anxiety:

The first function is to guide direction. This means recognizing the immediate reality and making arrangements for today with the future as the guiding direction. If we view today from the standpoint of today, we will invariably be overcome with anxiety when we see the magnitude of problems and contradictions before us. We will be at a loss about what to do or where to start. Which course of action should we follow? Which is right and which is wrong? We will be standing at the crossroads, not knowing which way to go. If we view today from the standpoint of tomorrow, we will be able to see the links between today and tomorrow, and the way that leads to tomorrow. We will be able to see a way out of contradictions, see opportunities in times of crises, and see the bright side in difficult circumstances. We will be able to hack our way through difficulties, dispel the dismal clouds, and advance valiantly forward. Su Dongpo [5685 2639 0980] put it well in his article "On Chao Cuo [2513 6934]": "If we know beforehand what is going to happen, we will not be caught by surprise and can take our time planning our course of action." To "know beforehand what is going to happen" is to grasp beforehand the laws governing the development and changes of things. "Not being caught by surprise" means not being intimidated by the difficulties before us, and to "take our time planning our course of action" means taking the objective laws as guidance to find ways of resolving the difficulties.

The second function is to give appraisals. Today's anxieties are numerous and complicated and weigh on us like mountains. Which of these are real anxieties and which are not worth worrying about? It is often difficult to tell if we evaluate them using today's objective environment as points of reference. If we take tomorrow's objective environment as points of reference, we will be able to see that some of our present anxieties have important implications and are worth our anxiety because they affect the future. Some are just minor hiccups and are of no consequence if handled properly. Some are just difficulties created by accidental factors which can be removed if we take a broader vision and give full scope to the constant factors. Some are just twists and turns in the course of advance. These are neither avoidable nor surprising, as they are to be expected on the road of advance. In the end, it will be as pointed out in a poem by Lin Zexu [2651 0463 1776]: "Call not these cliffs precipitous. Looking back, they are just heaps of dirt." After such appraisals, our mental burdens will be greatly

reduced as we will be able to feel anxious only when there are real causes for anxiety.

The third function is to dispel anxieties. Unless we have foresight, we will be able to treat only the symptoms of the problems that are real causes of anxiety. We may have overcome a problem and repaid a debt, but there is a still bigger problem and a more hefty debt just round the corner. Burning with anxiety and deeply worried, we cannot hold our heads high. Harassed by these immediate causes of anxiety, we will develop a fixed way of thinking. Our brain will lose its function of looking ahead into the future and will lose all its ability to picture the future. We appear to be trying to dispel worries and solve problems, but in fact we are just trying anything when in a desperate situation. We are wasting our energy to no purpose and acting blindly without any sense of direction or aim. In reality, we are just preparing conditions for more serious causes of anxiety or anxieties to come. We will be caught in an endless round of immediate anxieties and will not be able to extricate ourselves. We may put it this way: There are immediate causes of anxiety because we fail to think ahead; and, because there are so many immediate causes of anxiety, we are too busy to think ahead. This creates a vicious cycle. In order to break this vicious cycle, we must observe our immediate difficulties in the context of the full course of the development of things and try to come up with a new idea of dispelling our immediate causes of anxiety. Rather than tackling a problem when one comes into sight, we should consider all problems as a whole and tackle them in a unified way according to the order of urgency and priority. Rather than merely concerning ourselves with the contradictions immediately before us, we should anticipate the contradictions likely to crop up and prevent the immediate contradictions from turning into more serious contradictions. Rather than going after optimum results for a short period, we should strive for optimum results throughout, subjecting the former to the latter. Through overall coordination and serialization, the resolution of each contradiction will prepare conditions and accumulate strength for the resolution of the next contradiction and more contradictions to come, and will accumulate factors for overall optimization. As immediate causes of anxiety continuously turn into immediate benefits, anxieties about the future will be turned into future achievements.

Aside from material factors, most immediate anxieties are caused by disharmony in interpersonal relations. To eradicate these immediate causes of anxiety, it is important that we have the future in mind. We must have high aspirations and foresight. We must not be trammelled by disputes and wrangles around us, or troubled by temporary honor, disgrace, gain, or loss, or tired out by trifling gossip. We should have the breadth of vision of a man of foresight, be above the worries and apprehensions of the short-sighted, have the great cause of a thousand years in mind, and forget about petty gains and benefits. This way we will be able to have many fewer pauses and make many fewer detours.



It is the greatest aspiration of the Chinese people to rejuvenate the Chinese nation and bring it to the level of an average developed country by the middle of the next century. This aspiration has a role to play in guiding, appraising, and dispelling all existing contradictions, perplexities, and anxieties. There may be great perils and shocks ahead, but we are not frightened. As long as we can keep pressing ahead toward our orientation and goal, the perils and shocks will subside. Final victory belongs to those who have the greatest foresight.

### Becoming Famous for the Bridge

HK0108/14990 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 13, 1 Jul 90 p 46

[Article by Guan Yusheng (7070 3768 3932)]

[Text] Shijiazhuang is a new city without too many places of historic interest. The Zhaozhou Bridge 90 li to the southeast of the city is one such rare site. It is a must for tourists, foreign and domestic, visiting Shijiazhuang.

It is widely known that the Zhaozhou Bridge was built by the Sui dynasty artisan Li Chun [2621 2504], although his name and his life story cannot be found in historical records. The reason for this lies in the value of the bridge. It is understood that this bridge occupies an important position in the history of bridges, Chinese and foreign, as it predates similar bridges in Europe by 1,200 years.

The masses have always set great store by practice and have disdained empty talks. They are grateful to those who bring benefits to them and utterly detest those whose deeds do not match their words or who bring calamity to the country and the people. Weixian County in Hebei Province was known as Weizhou Prefecture during the Tang dynasty. When Di Renjie [3695 0088 2638] was governor of Weizhou, he ruled with benevolence. When he was transferred away, the people built a hall in his memory. His son Di Jinghui [3695 2529 2547] later became the chief military officer of the prefecture. Rather than following his father's footsteps, he stopped at nothing in doing evil. Greatly vexed, the people of Weizhou pulled down the memorial hall. While it is inappropriate to take it out on the father for wrongs committed by the son, this incident enables us to see what the people love and hate. When I was a soldier in Jixian County, I came to hear about the Temple of Solitary Pleasure there. Like the Yueyang Pavilion in Jiangnan, this temple was also built during the reign of Emperor Xuanzong of the Tang dynasty. It was from here that An Lushan [1344 4389 1472] staged his insurrection against the Tang emperor. This temple does not attract many visitors, as its name reminds people of the saying, "reveling in solitary pleasure rather than sharing one's pleasure with the people." The big and small halls of the temple have thus become the cosy nests of swallows and sparrows, with their excrement covering the floors. The Yueyang Pavilion, on the other hand, has gained universal fame because of a line written by the

Song poet Fan Zhongyan [5400 0112 3238]: "Be the first to worry and the last to enjoy comfort." People who value this spirit come to visit the pavilion in a continuous stream. Can we say that this is not a reflection of popular sentiment?

Some people may say that I am trying to advocate that leading cadres of various localities should build something like the Zhaozhou Bridge. No, that is not what I have in mind. I am trying to say that, since it is our aim, as communists, to serve the people heart and soul, we must proceed from the fundamental interests of the people and do more concrete things. It is said that political achievements may be both material and spiritual, tangible and intangible. Jiao Yulu [3542 5940 4389] did not leave behind any special buildings in his memory in Lankao, but he had left behind the touching spirit of "I am the son of the people." The leadership of the Liuzhuang Coal Mine also did not leave behind any buildings, but he had left behind his exemplary role. Like the life-giving spring breeze and rain, the example he set in maintaining that "workers are dirty coal diggers, but so are cadres" has warmed the hearts of the workers and aroused their tremendous enthusiasm. In order to build monuments in people's hearts, the important thing is not so much to build another "Zhaozhou Bridge" as to engage in work untiringly and contribute one's labor without any thought of self. A cadre who hopes to achieve quick success and instant benefit, who engages in short-term behavior and undermines the fundamental interests of the masses in trying to make a name for himself will not be welcomed by the people no matter how tall he manages to make his buildings stand.

Doing concrete things for the masses is the duty of cadres. For some time, however, some cadres have slighted this duty. They are used to sitting high above the masses, drinking tea and chatting away in their offices. Even when they did go down to the grassroots level, they just skimmed over the surface like dragonflies, seeing things from behind their car windows and stopping and taking off when they felt like it. These "cadres who go to the countryside just for show" bring nothing but trouble to the masses. Naturally, the masses stayed a respectable distance from these cadres. No wonder some comrades from grassroots units have given them this suggestion: "I understand you are very busy. Please go back to your work. Should the higher authorities come to check on your inspection here, I will say that you have come and have done a marvelous job. How is that?" What a burning satire this is! There are worse ones who abuse their power for personal gains. It is understandable why the masses have made accusations against them.

Undertakings are the result of hard work. The masses will have their verdict on how well you do. The people will always remember those who demonstrate a down-to-earth style of work and serve their heart and soul. Those who do not engage in concrete work, who even try to gain fame by deceiving the public, will definitely be shunned by the people.

### On 'Contribution Shortages'

HK0108115790 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 13, 1 Jul 90 p 47

[Article by Kang Kai (1660 0418)]

[Text] Lately, editors of literary and art journals have been complaining about how difficult it is to get hold of contributors, that it is becoming more and more difficult to run their journals with a shortage of contributions. What is this all about?

The established policy of the central government is to eliminate "pornography" while providing more nourishment for the mind and to oppose bourgeois liberalization while bringing prosperity to literary and art creation. This is the pressing demand of the masses as well as the bounden duty of literary and art workers. But at present we are troubled by the problem of a "contribution shortage."

I believe that this is the true state of affairs, but then I do not think that this is the whole truth. I say I believe it because I can well imagine some of our editors meeting with a rebuff when they tried to secure contributions by following the customary approaches, contact networks, targets, and "purchase" standards that prevailed a few years ago. They might even have been rebuked. I say I do not believe it to be the whole truth precisely for reasons relating to the questions of "approaches," "contact networks," "targets," and "standards," in other words, the "insight" of editors who are so used to hiding behind "what is customary."

In my opinion, a standard must first be fixed in our efforts to bring about prosperity or enrichment in a particular area. In other words, we must make sure what genre we want to enrich and what kind of creation we want to make prosperous. Before the "anti-porn" campaign, the newsstands were "very rich" indeed. There were all kinds of publications filled with lust and evil desire. Naturally such "richness" only served the purpose of the illegal publishers. The masses regarded these publications as spiritual opium and treated them as rats scurrying across the street. Two years ago, the TV series *River Elegy* also created a lot of excitement for some time. While totally negating our national culture, the cultural "elite" who pushed for spiritual liberalization clamored for the "blue civilization" and hankered after the prosperity of capitalist culture. Unless these questions of fundamental importance are clarified, there will not be a common language.

Once the standard has been set, the problem of a "contribution shortage" becomes much simpler. "Shortage" here refers to the following situations: 1) The handful of members of the "cultural elite" who keenly supported total Westernization or authors who were involved in the publication of books that stirred up base passions either are unwilling to write or feel it beneath them to write or dare not continue writing in their old style or do not know how to write in the new style. 2)

Some writers have not yet grasped the immense changes that have taken place and want to see things more clearly and sort out their thoughts. Others have estranged themselves from the masses and from real life to a greater or lesser extent. They need to put in some more hard work before they can come up with anything satisfactory. Toward the former, we welcome them to thoroughly change their stand and return to the track of serving the people and socialism. Even if they refuse to mend their ways, it will not do the prosperity of socialist culture any harm if they choose to remain silent. Toward the latter, we must be patient, show them warm concern, and create the necessary conditions so they can draw creative inspirations from the struggle and undertakings of the masses. It is believed that after a period of preparation, they will be able to produce first-rate masterpieces.

Aside from these two groups of people, there should at least be another two or three categories of people who should enter the field of vision of editors. One category is made up of comrades who have always maintained the orientation of serving the people and socialism and have upheld the policy of "letting a hundred flowers bloom and a hundred schools of thought contend." They have always been with the masses and have worked assiduously to keep in step with the time. After the criticism of bourgeois liberalization, they further clarified their orientation and strengthened their confidence. Among these comrades, the question of "shortage" does not arise. The trouble is, many of them have been left out in the cold, either wittingly or unwittingly, all these years. The other category is constituted by amateur writers from various walks of life. They should have been the main creative force of socialist culture, the strong reserve force of the contingent of professional writers. Due to the widespread tendency to look to "the elite" and to monetary reward in recent years, they have been neglected and elbowed out. Some journals have even expressly required a handling fee of a few yuan for each manuscript submitted. If this goes on, it will be surprising not to have "contribution shortages."

In short, the problem of a "contribution shortage" well and truly hides the question of the "insight" of editors. What is needed here is a concrete analysis of concrete problems. There is no need to get panicky over this "contribution shortage."

### Notes on Reading Li Yan's Free Cursive Script

HK0108120190 QIUSHI [SEEKING TRUTH]  
in Chinese No 13, 1 Jul 90 p 48

[Article by Shen Peng (3088 7720)]

[Text] In the calligraphy exhibitions and competitions that took place one after another in recent years most exhibits and entries, accounting for more than 60 percent of the total, were written in the running cursive

style. They have also drawn the largest audience. However, excellent calligraphy in the running cursive style is particularly difficult to come by. This phenomenon gives us deep food for thought.

Most pieces written in the running cursive style give an impression of coarseness. They cannot stand close scrutiny, just as some poems are criticized as "devoid of any content when read closely." An important reason for this is that most calligraphers have the misconception that when we write in the cursive style, we can afford to (and indeed should) be careless and sloppy. Since it takes time to write the formal script, in which it is difficult to get all the strokes right, and it is not easy to make the seal script hold together nicely, it seems that the cursive script provides the shortcut to success. Thus, everyone takes the shortcut and seeks quick results. A direct consequence of this misconception is that it greatly increases the degree of subjective whim in the writing. To begin with, there are no standard outward forms. The cursive script was first created to serve the practical purpose of making writing "quicker" and "easier." However, just as in the case of other scripts, the cursive script cannot be written any way one chooses. A character may be written in different ways, such as the elegant cursive style, the contemporary cursive style, or even the cursive-seal style and bamboo script, but it must have its basic form. If we try to exert our "creativity" by departing from the consensus developed in the course of time, the end product will be illegible. The question of simplified characters also must be taken into consideration in calligraphy. It is, of course, all right to use simplified characters throughout in a piece of calligraphy written in the formal style. However, some calligraphers thought that because some simplified characters were taken directly from the cursive script, all that was required in writing something in the cursive style was to write all full-form characters in their simplified forms. This was another case of subjective whim. The reason they thought this way was that they had not studied the special laws governing the structure of the cursive script.

From an artistic angle, the tendency to write the cursive script in a hurried and careless way may be seen as a tendency to slight the special aesthetic effects developed over the years in the calligraphic art of the cursive script. Different styles of calligraphy have their general character in their treatment of the unity of opposites, such as square and rounded strokes, pause and transition, light and heavy strokes, left and right strokes, slow and fast strokes, thin and thick strokes, and dry and moist strokes. The cursive style also has its own specific character. People learning calligraphy were often told to lay a good foundation first (for instance, by practicing the formal script). We should not hesitate to start just because our foundation is poor. However, if we ignore the basic factors of the formal script (or even the seal script for that matter) and aspire to achieve mastery of the cursive script, claiming that "we are just after likeness in spirit, not in appearance," the calligraphy may appear provocative, but it will certainly be lacking in

enduring beauty. Without an enduring beauty, provocativeness is mere swashbuckling. This was what Tang Emperor Li Shimin [2621 0013 3046] meant when he said: "Each line is like a crawling spring earthworm and each character is like a coiled autumn snake." This drawback stems from a misunderstanding of the aesthetics of the cursive script. It also reflects a general mood of ostentatiousness and impetuosity in the calligraphy circles.

The newly published *Li Yan's Free Cursive Script* contains 60 examples of the cursive style of middle-aged calligrapher Li Yan [2621 7159]. The free cursive script is also called the large cursive script which conveys a sense of rapid movement, rhythm, and provocativeness. This kind of style requires a profound inner quality to achieve undisputable mastery. With inner inspiration, Li Yan has mastered the exceptional essence of the cursive script. On the first page of his *Free Cursive Script* is the single autobiographical line: "Here are images that express my imagination to the full."

To be precise, "images" in calligraphy are imageries. Some articles (including those written by me) refer to the visual forms of calligraphic art as images. The reason probably has something to do with the concept that art means "thinking in terms of images" or the concept that art reflects the images of life. However, although the bases of calligraphic images—characters—do remind us of images in real life, and there is some correspondence between the two, they are actually different from images in real life. It is more in line with the characteristics of calligraphic art to say that calligraphy builds imageries. The word imagery can be taken to mean "images" and "imagination," just as the "appearance" and "spirit" of a thing. The process of calligraphic creation may be seen as the conveyance of "spirit" and "imagination" through "appearance" and "images." This conveyance process coincides with the process of creation. A calligrapher who has established the style of always conveying his "spirit" and "imagination" through "appearance" and "images" will be able to achieve a high standard of excellence. His mind, eyes, and hands will work as a team and his art will gradually move toward perfection.

Li Yan did not abandon hard work because he was gifted. For nearly 10 years since winning the first prize in the first International Calligraphy Competition, he never stopped exploring, and evidence of this can be seen in this collection entitled *Li Yan's Free Cursive Script*. He went after speed, rhythm, spin, body, thrill, exquisiteness... In him there is a powerful force waiting to break through limitations and develop in depth and breadth. His explorations into the free cursive style are multidimensional. The series of calligraphic works entitled *Stony Path Up the Distant Spring Hills*, *The Distant Nightingale's Wail*, *Rocks in the Mountain Yonder*, and *Frogs in a Spring Pool* show the many and dazzling sides of a well-cut diamond.

It is obvious that Li Yan's calligraphy gives a strong impression of modernity. It has qualities in common



with modern art, and is imbued with contemporary aesthetic appeal. The quality of modernity in calligraphy is in line with the trend of development. People working along this direction are truly serious creators. Rather than slighting tradition, they are constantly looking for a new and higher meeting point between the modern and the traditional and are striving to enrich the substance of

calligraphy by giving it "images" and "imagination." To develop the free cursive style in depth and breadth, we must work on internal improvement in addition to external skills. That is to say, only when we have made further efforts to absorb nourishment from various calligraphic styles and schools can we attain excellence and write "with skill and ease."

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